

49th
ANNUAL REPORT
2017 - 18



THE HANDLOOM EXPORT PROMOTION COUNCIL

MEMBERS OF THE EXECUTIVE COMMITTEE

Chairman: **Dr. K.N. Prabhu,**
M/s. Paradigm International, Karur.

Vice Chairman: **Shri T.V. Chandrasekaran,**
M/s. Rakhava Impex, Karur.

EX-OFFICIO CENTRAL GOVT. NOMINEES

1. Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India, New Delhi.
2. Joint Secretary (Exports), Ministry of Textiles, Govt. of India, New Delhi.
3. Executive Director, Handloom Export Promotion Council, Chennai.

ELECTED MEMBERS

1. Dr. K.N. Prabhu, M/s. Paradigm International, Karur.
2. Shri T.V. Chandrasekaran, M/s. Rakhava Impex, Karur.
3. Shri V. Kumar, M/s. The Standard Textiles, Karur.
4. Shri R. Rajendiran, M/s. Trident Home Furnishings (P) Ltd, Chennai.
5. Shri P. Gopalakrishnan, M/s. Metro Fabrics, Karur.
6. Shri Rajiv Agrawal, M/s. Silko International, Varanasi.
7. Shri M. Charles, M/s. JVS Export, Madurai.
8. Shri M. Thirumurthy, M/s. Unity Exports, Karur.
9. Shri K. M. Saleem, M/s. K.A.S. Zainulabdin & Co, Chennai.
10. Shri K. Kumaravel, M/s. Ponni Fab, Karur.
11. Shri N.R. Venkatachalam, M/s. Asian Fabricx Pvt. Ltd., Karur.
12. Shri V.C. Selvan, M/s. American Textile Company, Karur.
13. Smt. Rita Jha, M/s. S.R. Overseas, Bhagalpur.
14. Shri P. Arjuna, M/s. Manju Exports, Karur.
15. Shri V. Lakshmi Narasimhan, M/s. Sri Laxmi Export, Karur.
16. Shri Lalit Goel, M/s. Riviera Home Furnishing Pvt Ltd., Panipat.
17. Shri Kuldeep Raj Wattal, M/s. Chinar International, Noida.
18. Shri Gagan Rai, M/s. Seth Kumar Rai International, New Delhi.

CO-OPTED MEMBERS

1. Shri M. Britto, JVS Export, Madurai.
2. Vacant

Executive Director: Dr. S.B. Deepak Kumar, IAS
Auditors: M/s. R. Gopalakrishnan & Co., Chennai.
Bankers: State Bank of India, Greams Road Branch, Chennai.

THE HANDLOOM EXPORT PROMOTION COUNCIL

No.34, Cathedral Garden Road, Nungambakkam, Chennai – 600 034.

NOTICE

Notice is hereby given that the Forty Ninth Annual General Meeting of the Handloom Export Promotion Council will be held at 12.00 noon on Saturday the 29th September 2018, at the Conference Hall of Council's Premises to transact the following business.

1. To receive and to adopt the Annual Report of the Council for the year ended 31st March 2018, the Audited Balance Sheet, the Income & Expenditure Account for the year ended 31st March 2018, the report of the Auditors thereon and the report of the Executive Committee.
2. To appoint Auditor for auditing the accounts of the Council for the year 2018-19 and fix their remuneration.
3. To elect members to the Executive Committee in the place of members retiring by rotation.

(By order)

Sd/-

Date: 11.09.2018

Secretary Cum Executive Director

Registered Office:

No.34, Cathedral Garden Road, Nungambakkam, Chennai-600034.

NOTE

1. No TA/DA is admissible for attending the Annual General Meeting.

Members/RTEs who require clarifications in respect of any matter connected with the Annual Report/Audited Accounts are requested to send their queries so as to reach the Council atleast ten days in advance of the meeting to enable the office to get the details available.

2. Council's Members/RTEs are requested to bring their copies of the Annual Report with them as spare copies will not be available at the meeting.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote Instead of himself and a **proxy need not be a member.**

EXPLANATORY STATEMENT**ITEM NO.2: To Appoint Auditor for Auditing the Accounts of the Council for the Year 2018-19 and Fix their Remuneration.**

At the 48th Annual General Meeting held on 22.09.2017, M/s R. Gopalakrishnan & Co., Chennai were appointed as Auditor of the Council for the year 2017-18 at a remuneration of Rs.40000/- per annum.

The General Body may kindly consider the appointment of Auditor for auditing the accounts of the Council for the year 2018-19 and also fix their remuneration.

ITEM NO.3: To Elect Members to the Executive Committee in the Place of Members Who Retire by Rotation.**Product Groups****Handloom Fabrics / Lughies / Real Madras Handkerchiefs**

1. Shri K.M. Saleem,
M/s. K.A.S. Zainulabdin & Co, Chennai.

Handloom Floor Coverings

1. Shri N.R. Venkatachalam,
M/s. Asian Fabricx Pvt. Ltd., Karur.

Handloom Madeups

1. Shri V. Kumar,
M/s. The Standard Textiles, Karur.
2. Dr. K.N. Prabhu,
M/s. Paradigm International, Karur.
3. Shri R. Rajendiran,
M/s. Trident Home Furnishings (P) Ltd., Chennai.
4. Shri P. Gopalakrishnan,
M/s. Metro Fabrics, Karur.
5. Shri T.V. Chandrasekaran,
M/s. Rakhava Impex, Karur.
6. Shri V.C. Selvan,
M/s. American Textile Company, Karur.

Others including Handloom Clothing Accessories

1. Shri Rajiv Agrawal,
M/s. Silko International, Varanasi.
2. Smt. Rita Jha,
M/s. S.R. Overseas, Bhagalpur.

The election has to be held for the following categories:

Product Groups	Vacancies to be filled
1. Handloom Fabrics / Lungies / Real Madras Handkerchiefs	1
2. Handloom Floor Coverings	1
3. Handloom Madeups	6
4. Others including Handloom Clothing Accessories	2
Total	10

The procedure as laid down in Clauses 37 (g) & (h) and other relevant clauses of the Articles of Association of the Council and Election Rules will be followed for the nomination of candidates.

REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR 2017-18

MEMBERSHIP OF THE COUNCIL

The total number of Members / RTEs of the Council at the end of the year 2017-18 were 1501

As on 1st April, 2017		1454
DEDUCT:	Number of Members/RTEs removed from membership roll on account of default in payment of subscription, Resignation, change in constitution, etc.,	184
ADD:	Number of Members/RTEs restored	31
ADD:	Number of RTEs included in membership roll on account of fresh enrolment	200
As on 31.03.2018		1501

CONSTITUTION OF THE EXECUTIVE COMMITTEE

CHAIRMAN

Dr. K.N. Prabhu, **from 29/03/2018**
M/s. Paradigm International, Karur.

Shri V. Kumar **from 29/03/2016 to 28/03/2018**
M/s. The Standard Textiles, Karur.

VICE CHAIRMAN

Shri T.V. Chandrasekaran, **from 29/03/2018**
M/s. Rakhava Impex, Karur.

Dr. K.N. Prabhu, **from 29/03/2016 to 28/03/2018**
M/s. Paradigm International, Karur.

CENTRAL GOVERNMENT NOMINEE MEMBERS

1. The Development Commissioner for Handlooms, Ministry of Textiles, Government of India, New Delhi.
2. The Joint Secretary (Exports), Ministry of Textiles, Government of India, New Delhi.
3. The Executive Director, Handloom Export Promotion Council, Chennai.

CO-OPTED MEMBERS

1. Shri M. Britto,
M/s. JVS Export, Madurai. **(from 29.06.2018 upto AGM)**
2. Vacant

ELECTED MEMBERS**Handloom Fabrics/Lunghies/Real Madras Handkerchiefs**

1. Shri M. Thirumurthy, (Elected on 12.09.2016)
M/s. Unity Exports, Karur.
2. Shri K.M. Saleem, (Elected on 03.03.2016)
M/s. K.A.S. Zainulabdin & Co, Chennai.

Handloom Floor Coverings

1. Shri N.R. Venkatachalam, (Elected on 03.03.2016)
M/s. Asian Fabricx Pvt. Ltd., Karur.
2. Shri Kuldeep Raj Wattal, (Elected on 22.09.2017)
M/s. Chinar International, Noida.
3. Shri Lalit Goel, (Elected on 22.09.2017)
M/s. Riviera Home Furnishings Pvt. Ltd., New Delhi.
4. Shri Gagan Rai, (Elected on 22.09.2017)
M/s. Seth Kumar Rai International, New Delhi.

Handloom Made ups

1. Shri V. Kumar, (Elected on 03.03.2016)
M/s. The Standard Textiles, Karur.
2. Dr. K.N. Prabhu, (Elected on 03.03.2016)
M/s. Paradigm International, Karur.
3. Shri V.C. Selvan, (Elected on 03.03.2016)
M/s. American Textile Company, Karur.
4. Shri R. Rajendiran, (Elected on 03.03.2016)
M/s. Trident Home Furnishings (P) Ltd., Chennai.
5. Shri P. Gopalakrishnan, (Elected on 03.03.2016)
M/s. Metro Fabrics, Karur.
6. Shri T.V. Chandrasekaran, (Elected on 03.03.2016)
M/s. Rakhava Impex, Karur.
7. Shri V. Lakshmi Narasimhan, (Elected on 12.09.2016)
M/s. Sri Laxmi Export, Karur.
8. Shri M. Charles, (Elected on 12.09.2016)
M/s. JVS Export, Madurai.
9. Shri K. Kumaravel, (Elected on 12.09.2016)
M/s. Ponni Fab, Karur.
10. Shri P. Arjuna (Elected on 12.09.2016)
M/s. Manju Exports, Karur.

Others including Handloom Clothing Accessories

1. Shri Rajiv Agrawal, (Elected on 03.03.2016)
M/s. Silko Internationaal, Varanasi.
2. Smt. Rita Jha, (Elected on 03.03.2016)
M/s. S.R. Overseas, Bhagalpur.

1. Meetings of the Council:

- a) The 48th Annual General Meeting of the Council was held on 22.09.2017 at Council's premises.
- b) Meetings of the Executive Committee
 - 06.06.2017 209th Executive Committee Meeting
 - 31.08.2017 210th Executive Committee Meeting
 - 24.01.2018 211th Executive Committee Meeting
 - 28.03.2018 212th Executive Committee Meeting
- c) Extra ordinary General Meetings was held on 23.02.2018

FINANCE

The total revenue for 2017-18 was Rs-987.70 Lakhs comprising of Subscription and entrance fee of Membership	Rs. 99.62
Miscellaneous receipts including Participation fee	Rs. 820.20
MDA & MAI Grant from Government including Grant for member exporters	Rs. 67.88
The total expenditure was Rs. 1024.13 Lakhs was classified such as Participation in Fairs/Exhibitions/BSMs abroad, Publicity abroad and Publication in etc., and Disbursement of grant to member exporters	Rs. 480.88
The expenditure on non-codeactivities including Depreciation on assets	Rs. 543.25

As on 31st March 2018, the total investment of Rs.208.88 under Fixed Deposit in Nationalized Banks and Government

EXPORT PROMOTION ACTIVITIES 2017-18

EXHIBITIONS ABROAD:

1. Hong Kong International Home Textiles & Furnishings Fair, Hong Kong (20 - 23, April 2017)

Council participated in the 8th edition of the Hong Kong International Home Textiles & Furnishings Fair organized by Hong Kong Trade Development Council (HKTDC) at Hong Kong from 20-23rd April 2017.

HEPC participated with 27 member exporters by taking space of 264 sq. mtrs. and had also put up central pavilion stall in the fair. As per the feedback received from the participants, totally 417 business visitors visited their stalls and spot order worth Rs.6.75 crore and enquiries worth Rs.18.77 crore were generated at this fair.

The event was organised availing financial grant under Market Access Initiative (MAI) scheme of Ministry of Commerce & Industry, Govt. of India.

2. Global Indian Festival, Kuala Lumpur, Malaysia (31st May – 4th June 2017)

Council participated in the 15th Global Indian Festival, held at Kuala Lumpur, Malaysia from 31st May – 4th June 2017 with 10 registered holders of India Handloom Brand through India Trade Promotion Organisation. As per participants' feedback, totally 4000 visitors visited their stalls and a total business worth 0.80 crore was generated during this event.

The event was organized under National Handloom Development Programme of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

3. Home Textile / Apparel Sourcing Expo, New York, USA (17 – 19, July 2017)

Council participated for the 5th time consecutively in the Home Textiles Sourcing / Apparel Sourcing Expo which was held from July 17-19, 2017 at the Javits Convention Center in New York, USA. The event is organized by Messe Frankfurt, Inc., USA.

HEPC participated in the event with 11 (10 with grant, 1 without grant) member exporters and had also put up Central Promotion stall. As per participants' feedback, totally 158 business visitors visited their stalls and a total business worth 4.11 crore was generated during this fair.

The event was organized under National Handloom Development Programme of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

4. 28th India Home Furnishing / 38th India Garment Fair, Osaka, Japan (19 - 21, July 2017)

India Home Furnishing Fair organized by India Trade Promotion Organisation (ITPO) at Osaka, Japan is an ideal showcase for Home Textiles and is organized along with Indian Garment Fair to form Japan's largest comprehensive exhibition of Home Furnishing and Garments. Handloom Export Promotion Council has been participating in this fair for more than a decade. In this event held at Osaka, Japan during 19-21 July 2017, HEPC had participated with 27 member

exporters by taking constructed booth area of 294 sq.mtrs. and HEPC had also put up Central Promotional Stall in the fair.

As per the feedback received from our participants, totally 398 business visitors visited their stalls and spot order worth Rs.5.1 crore and enquiries worth Rs.8.1 crore were generated at this fair.

The event was organized under Market Access Initiative Scheme of Ministry of Commerce & Industry, Govt. of India.

5. Intertextile Shanghai Home Textiles, Shanghai, China (23 - 26, August 2017)

Council participated in the Intertextile Shanghai Home textiles, organized by Messe Frankfurt (HK) at Shanghai, China, from 23-26th August 2017 with 10 participants and had also put up a promotional stall in the fair by taking an area of 108 sq.mtrs. As per participants' feedback, totally 330 business visitors visited their stall and spot orders worth Rs.1.20 crore and business enquiries worth Rs.2.39 crore were received during this fair.

The event was organized under National Handloom Development Programme of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

6. WHO's NEXT, Paris, France (8 - 11, September 2017)

Council participated in the Autumn edition of WHO's NEXT held at Paris, France from 8-11th September 2017. Council has been participating in this fair since 2010.

Council participated with 25 participants (20 with grant; 5 without grant) by booking space of 262 sq. mtrs. Council had put up a promotional stall. As per the feedback received from member participants, totally 425 business visitors visited their stalls and spot orders worth Rs.6.19 crore had been booked and enquiries to the tune of Rs.8.71 crore were generated during the event.

The event was organized under National Handloom Development Programme of O/o.The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

7. India Trend Fair, Tokyo, Japan (27 – 29, September 2017)

The 3rd edition of India Trend Fair was organized in Tokyo by Japan India Industry Promotion Association during 27-29th September 2017. It was a B2B trade fair concentrating on fashion & textiles, bags & shoes, jewellery & accessories, interior and sundries.

Council participated in India Trend Fair, Tokyo, Japan from 27-29th September 2017 with 20 member exporters. As per the feedback received from member participants, totally 326 business visitors visited their stalls, spot orders worth Rs.4.61 crore had been booked and enquiries to the tune of Rs.12.32 crore were generated during the event.

The event was organized availing financial assistance under National Handloom Development Programme of O/o.The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of

India.

8. International Sourcing Expo, Sydney, Australia (14 - 16, November 2017)

Council organized participation of 14 member exporters in International Sourcing Expo, organized by International Exhibition & Conference Group at Sydney, Australia during 14–16 November 2017. Total space of 144 sq.mtrs. was hired for stalls of member exporters and Council's central promotional stall at the fair.

As per participants' feedback, totally 413 business visitors visited their stalls and spot orders worth Rs.0.68 crore and business enquiries worth Rs.3.32 crore were generated during the event. Members reported that participation in this fair facilitated to gain entry into Australia and New Zealand.

The event was organized under National Handloom Development Programme of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

9. Heimtextil, Frankfurt, Germany (9 - 12, January 2018)

Heimtextil is one of the biggest international trade fairs for Home Textiles and contract textiles. This fair is considered as the leading fair and attracts the buyers from more than 70 countries covering all the continents. The Messe Frankfurt is organizing this fair and HEPC has been regularly participating in this event for more than two decades. Out of more than two decades participation in Heimtextil, Council has been organizing participation in Heimtextil under MAI scheme since January 2011 onwards. India is the 2nd largest participant in this event next to China. As an average around 385 exhibitors which includes both direct as well as participants through EPCs from India exhibit in this event.

As a highlight of Indian participation in Heimtextil 2018, a ministry level delegation under the leadership of Smt. Smriti Zubin Irani, Hon'ble Minister for Textiles and Information & Broadcasting, Govt. of India visited the event. The delegation from Ministry included the following members

Shri. Sanjay Rastogi, DC(Handlooms)- Member
Smt. M.Imkongla Jamir, PS to HMOT- Member
Shri V Kumar, Chairman, HEPC – Member
Shri Ujwal R Lahoti, Chairman, TEXPROCIL – Member
Shri O P Prahladka, Chairman, EPCH - Member

Hon'ble Minister inaugurated Indian Pavilion by cutting ribbon at TEXPROCIL stand which followed visit to Indian exhibitors stand in Hall 10.2, 10.3 and other halls.

Coinciding the visit of the Hon'ble Minister for Textiles and Information & Broadcasting, HEPC as a lead Council organised "India Eve" meet on 09-01-2018 in the esteemed presence of Hon'ble Minister as Chief guest. The dais was shared by Mr. Raj Manek, Managing Director, Messe Frankfurt Trade Fairs India Pvt. Ltd. and Shri. V.Kumar, Chairman, HEPC. The event was organised in coordination with Consulate General of India, Frankfurt and had the participation of TEXPROCIL and EPCH.

Around 70000 trade visitors from 135 countries experienced design innovations from 2975 international exhibitors at Heimtextil 2018. The visitors profile included representatives from the retail and wholesale trade, interior decorators, design, architecture and interior design and the hotel industry.

Council organized participation of 52 member exporters in Heimtextil fair held at Frankfurt, Germany during January 9-12, 2018. Council had hired total space of 1072 sq.mtrs. (726 sq.mtrs. in Hall 10.3 and 346 sq.mtrs. in Hall 6.3) accommodating 35 exhibitors in Hall 10.3 and 17 exhibitors in Hall 6.3.

As per participants' feedback, totally 1175 business visitors visited their stalls and spot orders worth Rs.20.25 crore and business enquiries worth Rs.46.65 crore were generated during the event.

Shri.Sanjay Rastogi, Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India visited the participants under the aegis of Council.

The event participation was organized under Market Access Initiative Scheme (MAI) of Ministry of Commerce & Industry, Government of India.

10. Domotex, Hannover, Germany (12 - 15, January 2018)

Council organized participation of 18 member exporters in Domotex held at Hannover, Germany during 12-15th January 2018. Total space of 246 sq.mtrs. was hired for stalls of member exporters and Council's central promotional stall at the fair.

As per participants' feedback, totally 400 business visitors visited their stalls and spot orders worth Rs.0.48 crore and business enquiries worth Rs.7.18 crore were generated during the event.

Shri.Rajesh Kumar Sahu, Additional Development Commissioner (Handlooms) and Executive Director (HEPC), visited the participants.

The event was organized under National Handloom Development Programme of O/o.The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

11. WHO'S NEXT, Paris, France (19 - 22, January 2018)

WHO'S NEXT fair is a premium fair for fashion and fashion accessories in Paris. The winter edition of WHO'S NEXT fair was held during January 19-22, 2018.

Council participated in the winter edition of WHO'S NEXT Show held at Paris, France with 11 participants on self-sustain basis and had also put up a promotional stall at the fair by taking an area of 134 sq.mtrs. As per the feedback received from member participants, totally 278 visitors visited their stalls and spot orders worth Rs.3.63 crore had been booked and enquiries to the tune of Rs.5.07 crore were generated during the event.

12. Pure London/Pure Origin, London, UK (11 – 13, February 2018)

Pure Origin takes place alongside the already well-established Pure London event. Pure London is an established and highly transactional fashion trade event attracting a powerful audience of senior decision makers across independent retailers, multiple retailers, online retailers and department stores. The event is held at the heart of the fashion industry in a stunning central London location uniting brands with manufacturers and textile producers all in one place. This event is organized by M/s.Ascential Events, UK.

Council organized participation of 7 member exporters on self-sustain basis in Pure London/ Pure Origin, held at London, UK during 11–13 February 2018. The event participation was organized the first time. Total space of 87 sq.mtrs. was hired for stalls of member exporters and Council's central promotional stall at the fair.

As per participants' feedback, totally 137 business visitors visited their stalls and spot orders worth Rs.0.73 crore and business enquiries worth Rs.1.87 crore were generated during the event.

Exhibitions in India:

1. Textiles India, Ahmedabad, Gujarat (30th June – 2nd July 2017)

Ministry of Textiles, Govt. of India organized Textiles India 2017 from 30th June - 2nd July 2017 at Gandhinagar, Gujarat, India's first ever mega textiles trade fair bringing global & Indian leaders together in one platform. Hon'ble Prime Minister, Shri Narendra Modi inaugurated the event on 30th June 2017 at the fair venue, Helipad Ground in presence of Smt. Smriti Zubin Irani, Hon'ble Minister for Textiles, Other Union Ministers, State Chief Ministers and dignitaries. Hon'ble Prime Minister in his inaugural address said that based on Make in India, the textile industry is being infused with the mantras of Skill, Scale, Speed & Zero-Defect, Zero-Effect. The Prime Minister also mentioned that Textile sector offers significant employment opportunities, being the second largest employer after agriculture and expressed hope that Textiles India 2017 would help familiarize global & Indian leaders with India's enabling policy environment, strengths & vast opportunities.

Addressing the gathering, the Hon'ble Minister of Textiles (HMoT) Smt. Smriti Zubin Irani said that history will be created in the field of textiles with the success of this mega event. HMoT hoped that Textiles India 2017 will give fillip to Honorable Prime Minister's dream of Make in India and lead to strategic partnerships that encourage investments in textile sector. She also specified that for this mega event global citizens from 106 countries, 15,000 Indian buyers and sellers, 2,500 international buyers, international delegates, artisans and weavers who enthral with their craft have come together under one roof. The inauguration was followed by an international standard Fashion Show organized by the Ministry of Textiles.

Textiles India 2017 witnessed major events like 6 Conferences, B2B, B2G, G2G Meetings, Theme Pavilions, Country Sessions, State Sessions, 65 MoU Signing and 22 Roundtable Conferences apart from Exhibitions in 12 halls coordinated by various Export Promotion Councils spread over 78000 sqm.

During exhibition HEPC coordinated 3 Roundtable Conferences, 3 MoU signing and IHB Fashion Show during this mega event. The event had under the aegis of HEPC, 140 exhibitors from all over India including 8 designer exhibitors, 8 Indian Handloom Brand Exhibitors and 10 North East Exhibitors. Loom demo was also exhibited in the event. Special central promotional stand for Indian Handloom Brand, special country pavilion for Bangladesh were also coordinated by HEPC.

The exhibits covered main handloom products such as Table Linen, Mats, Kitchen linens, Floor coverings, Bed linens, Designer bags, Curtains, Cushions, Aprons, Handwoven Sarees, Stoles, Dupattas, Rugs, Jute shopping bags, Terry Towels, Carpets, Shawls, Pillow Covers, Mittens, Runners, Jute wall hangings, Quilts, Throws, Scarves, Tassar, Eri Silk, Ikat, Garments etc.

Around 80 buyers from Australia, Austria, Bangladesh, Belgium, Brazil, Cambodia, Canada, Chile, France, Germany, Ireland, Japan, Libya, Mexico, Myanmar, Nepal, Netherlands, Poland, Russia, Serbia, South Africa, Spain, Taiwan, United Kingdom, United States of America, United Arab Emirates attended the event. Apart from these listed buyers, some other buying agents and direct visitors were also there.

HEPC also coordinated for 3 Roundtable conferences Tribal Weaves of India, Market linkages with Retail Chains and Branding & Quality Assurance. The eminent speakers from textile industry shared their experiences, views and suggestions during the Round Table Conferences.

Three MoUs were signed between HEPC and KITTES (IIFT) Delhi, JIIPA Japan & ITeC, Dubai during Textiles India 2017. Through the MoUs JIIPA & ITeC will support HEPC in organising RBSMs and KITTES will support in knowledge sharing for clusters and Startups.

Thematic Fashion Show was organized by HEPC on India Handloom Brand during Textiles India event with the support of DC(Handlooms). The show featured designs from a combination of designers and labels from across India who showcased designs of various kinds of handloom fabrics in organic dyes. In one of the segment of the fashion show, the designers showcased their work which was created in collaboration with handloom clusters from various regions of India and presented the looks created by the handloom weavers. Designers like Hemang Agrawal and Rajesh Pratap Singh presented their collections in collaboration with handloom clusters from Varanasi and Anavila Misra collaborated with handloom clusters from Gadwal.

As per the feedback received from the exhibitors' business transactions worth Rs.0.54 crore was done during the event and spot enquiry worth Rs.5.10 crore was generated.

The event participation was organized under Market Access Initiative Scheme (MAI) of Ministry of Commerce & Industry, Government of India.

2. Indian Handicrafts & Gift Fair (Autumn), Greater Noida (12 – 16, October 2017)

HEPC participated in the Indian Handicrafts & Gift Fair (Autumn) was held at Greater Noida from 12-16th October 2017.

Handloom Export Promotion Council participated in this fair under National Handloom

Development Programme of the Office of Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India with 11 member exporters.

As per the feedback received from the participants a total business worth 1.56 crore was generated during this fair.

3. Traditional Textiles of India Exhibition, New Delhi (23 - 24 January, 2018)

The 1st Traditional Textiles of India Exhibition was held at The Lalit, New Delhi from 23rd to 24th January, 2018 coinciding 25th year of India-ASEAN Relations India- ASEAN Commemorative Summit.

The exhibition was inaugurated by Shri Anant Kumar Singh, Secretary, Ministry of Textiles, Government of India, by ribbon cutting in the presence Shri Sanjay Rastogi, Development Commissioner for Handlooms, ADC's, Chairmen of EPCs members of the trade, Ministry Officials, ASEAN delegates, participants, press & media. Secretary (Textiles) visited all the participants stalls and interacted with them. Shri Ajay Tamta, Minister of State for Textiles, Government of India has also visited and interacted with participants.

Handloom Export Promotion Council organized the participation of 10 registered handloom manufactures at Traditional Textiles of India Exhibition, held at New Delhi during 23 -24 January, 2018. As per the participants' feedback, totally 269 business visitors visited their stalls and a total business worth 0.54 crore was generated during the event.

The event was organized with the financial assistance under National Handloom Development Programme of O/o.The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

4. Indian Handicrafts & Gift Fair (Spring), Greater Noida (23 - 27, February 2018)

HEPC participated in the Indian Handicrafts & Gift Fair (Spring) held at Greater Noida from 23-27th February 2018.

Council participated in this fair with 10 member exporters on self-sustain basis. As per participants' feedback, spot orders worth Rs.1.27 crore and business enquiries worth Rs.2.53 crore were generated during this fair.

5. Reverse Buyer Seller Meet (RBSM), Varanasi (27 - 28, February 2018)

Council organized a Reverse Buyer Seller Meet (RBSM), held at Deendayal Hastkala Sankul (TFC & CM), Varanasi, UP from 27-28 February 2018 along with 15 participants and 9 overseas buyers from Australia, Cambodia, Italy, Bulgaria, Greece, Germany & Portugal.

The event was inaugurated by Shri.Shantmanu, Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India. As per the feedback received from the participants a total business worth 0.76 crore was generated during this fair.

The event was organized with the financial assistance under National Handloom Development Programme of O/o.The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

Meetings / Field Visits

1. Executive Director & Consultant, R.O attended meeting under the Chairmanship of Joint Secretary (Textiles) meeting to discuss framing of a portal for Textiles Export Promotion Intelligence Scheme (TEPIS) and preparedness of Textiles India 2017 on 03.04.17.
2. Executive Director & Consultant, R.O visited Gandhinagar regarding preliminary arrangements of Textiles India 2017 on 04.04.17.
3. Consultant, R.O attended meeting under the Chairpersonship of Ms. Anita Praveen, JS regarding the trade promotion events in LAC & EU region on 05.04.17.
4. Executive Director attended meeting with DCHL on 10.04.17.
5. Executive Director attended meeting under the Chairmanship of Secretary (Textiles) of Steering Committee to review preparations of Textile India 2017 on 11.04.17.
6. Deputy Director & Consultant, R.O attended meeting under the chairmanship of JS(Exports) on Additional proposals under MAI Scheme for the activities during the year 2017-18 on 17.04.17.
7. Chairman, Deputy Director & Consultant, R.O attended the Curtain Raiser of Textiles India 2017 on 18.04.17.
8. Consultant, R.O attended meeting regarding additional proposals under MAI Scheme for the activities during the year 2017-18, under Chairmanship of JS(E&MDA) on 24.04.17.
9. Chairman & EC Members attended the meeting on Duty Drawback Scheme in GST framework on 25.04.17.
10. Executive Director & Jr. Export Promotion Officer attended Parliamentary Standing Committee Meeting at Mumbai on 25.04.17.
11. Consultant, R.O attended the IHB Meeting on 27.04.17.
12. Executive Director attended meeting with Director & JS (ASEAN ML) regarding ASEAN countries participation in Textiles India 2017 on 01.05.17.
13. Executive Director attended the meeting under chairmanship of JS (Exports) to discuss issue relating to Textiles India on 04.05.17.
14. Chairman & Executive Director attended Workshop on Legal framework and Registration process, Promotion and Marketing of GI registered products, quality assurance of GI products of HEPC on 05.05.17 & 06.05.17.
15. Chairman and Executive Director participated in HEPC organized Road Show on Textiles India 2017 at Panipat on 08.05.17.
16. Consultant, R.O attended meeting under chairmanship of Secretary (T) for Senior officers

of MoT to review preparations of Textile India 2017 on 13.05.17.

17. Executive Director attended meeting under chairmanship of HMoT to review the preparedness of Textiles India-2017 and other allied issues on 15.05.17.
18. Consultant, R.O attended meeting under chairmanship of Secretary (T) to review the preparedness of Textiles India-2017 on 17.05.17.
19. Executive Director attended meeting under chairmanship of DCHL on Annual Action Plan 2017- 18 & IHB on 26.05.2017.
20. Executive Director attended meeting under chairmanship of DGFT on Review of provisions concerning duty free exemptions in the FTP 2015-20 on 26.05.17.
21. Executive Director participated in HEPC organized Road Show on Textiles India 2017 in Imphal on 31.05.17.
22. Executive Director attended meeting under chairmanship of DCHL to discuss issues relating to Textiles India on 12.06.2017.
23. Consultant, R.O attended awareness workshop on GST on 16.06.17.
24. Consultant, R.O attended meeting with JS (Exports), MOT on the following issues relating to Textiles India 2017 on 16.06.17.
 - a. Presentation on B2B meeting
 - b. Finalization of layout
 - c. Electricity requirement
 - d. Event Catalogues entry
 - e. Sponsorship – welcome gate in Ahmedabad and displays at Airports
 - f. Fascia name
 - g. Request for parking labels
25. Executive Director, Consultant, R.O & AD, RO, Delhi attended the training programme on GST on 22nd June 2017 at Vigyan Bhawan, New Delhi on 22.06.17.
26. Joint Director, HEPC attended the Empowered Committee meeting under the chairmanship of Secretary Commerce, DoC on 04.07.2017.
27. Joint Director, HEPC attended a meeting under the chairmanship of JS, E&MDA on 04.07.2017 to discuss the following issue:
 - i. Pending MAI accounts.
 - ii. Interaction regarding evaluation of MAI Scheme being carried out by ICRIER; and
 - iii. Inputs on questionnaire being circulated by ICRIER, including exporter data base, governing structure, etc.

28. Executive Director, Joint Director & Consultant, R.O, HEPC attended the debriefing meeting on Textiles India 2017 chaired by Hon'ble Minister for Textiles and Secretary(T) on 06.07.17.
29. Joint Director attended preliminary meeting related to Tamil Nadu State Export award for Handloom Weavers and Exporters on 17.07.2017.
30. Vice Chairman, Executive Director & Consultant, R.O attended the meeting under the Chairmanship of Hon'ble Minister of Textiles with Dy. Chairperson of NITI Ayog to discuss issues relating to Foreign Trade Policy 2015-20 on 24.07.2017.
31. Joint Director, attended meeting related to Tamil Nadu State Export award for Handloom Weavers and Exporters on 27.07.17.
32. Consultant, R.O attended a meeting to discuss the rules of origin under the India Canada CEPA on 04.08.17.
33. Joint Director & Consultant, R.O attended the 3rd National Handloom Day at Guwahati on 07.08.17.
34. Jt. Director & Consultant, R.O visited Help desk at Guwahati on 08.08.17 for attending Secretary Textiles visit to Guwahati.
35. Consultant, R.O attended a second Meeting of the Committee to review progress of the NIFT Craft Cluster Initiative under the project "Promotion of Handlooms & handicrafts through linking with fashion" on 08.09.17.
36. Executive Director & Consultant, R.O attended a meeting under chairmanship of Secretary (Textiles) to review the MoUs signed with different countries in textiles sector on 14.09.17.
37. JD & Consultant, R.O attended the meeting under chairmanship of Secretary (Textiles) to review the performance of textiles sector particularly exports and imports in the current financial year on 04.10.17.
38. JD & Consultant, R.O attended the meeting on Stakeholder Consultation on Exports with Hon'ble Commerce & Industry Minister on 06.10.17.
39. Consultant, R.O attended the meeting under chairmanship of Joint (Secretary), MoT to review of closure of Accounts of Textiles India 2017 on 09.10.17.
40. Consultant, R.O attended the meeting under chairmanship of Trade Adviser to discuss MAI proposal on 11.10.17.
41. Consultant, R.O attended the meeting under the chairmanship of Secretary (Textiles) to review the status of the MoUs signed by Ministry of Textiles with different countries on 03.11.17.
42. Shri.V.Kumar, Chairman met Shri A. Madhukumar Reddy, JS, MoT to discuss issues on Noida

Texpo centre on 08.11.17.

43. Joint Director & Consultant, R.O met Shri L. Satya Srinivas, JS (Custom) to speed up the HS codes allocation for Handlooms garments on 08.11.17.
44. Joint Director & Consultant, R.O, met IBEF team regarding Heimtextil advertisements on 09.11.17.
45. Joint Director & Consultant, R.O, met Deputy Secretary, EP(Textiles), DoC regarding MAI proposal submitted for 2018-19 on 09.11.17.
46. Joint Director & Assistant Director(policy) had attended meeting convened by Principle Secretary, Industries department, Govt. of Tamilnadu regarding GST issues and FTP policy on 15.11.17.
47. Consultant,R.O attended meeting of release of Mid-term review of the Foreign Trade Policy (2015-20) on 05.12.17.
48. Executive Director & Consultant, R.O attended the meeting under the chairmanship of Secretary (Textiles) to discuss budget proposals for the year 2018-19 on 06.12.17.
49. Consultant, R.O & EC members attended the meeting under the chairmanship of HMoT on 08.12.17.
50. Executive Director & Consultant, R.O attended a meeting chaired by Secretary (East), MEA to discuss "Textiles Meet" comprising a day long exhibition and display during ASEAN-India Fabric Show and a half day B2B session on 12.12.17.
51. Executive Director & Consultant, R.O attended the Export Awards Function of AEPC on 18.12.17.
52. Executive Director & Consultant, R.O attended the meeting chaired by Gen. V.K. Singh (Retd), MoSEA, MEA to discuss organization of ASEAN – India Commemorative Summit on 19.12.17.
53. Consultant, R.O attend the meeting under the chairmanship of Shri Manoj Dwivdi, JS (EP-Textiles Coordination) to discuss and chalk out feasible course of action in interest of India's textile market and to provide a way forward for the country's textile stakeholders in the wake of WTO regulations applicable from 2018 on 27.12.17.
54. Consultant, R.O attended the meeting under the Chairmanship of Shri Shyamal Misra, Joint Secretary regarding India-Peru Trade Agreement- Stakeholder consultation on Trade in Goods Chapters on 27.12.2017.
55. Assistant Director, RO attended the sub-committee meeting of MAI proposals 2017-18 on 08.01.18.
56. Assistant Director, RO attended the sub-committee meeting of MAI proposals 2017-18 on

09.01.18.

57. Joint Director attended meeting of Department of Handlooms & Textiles, T.N to evaluate the applications and to select Marketing Consultancy Firm on 18.01.18.
58. Chairman, Joint Director & Consultant attended meeting with JS(Customs) to speed up the proposal for separate HS codes for the handloom garments on 24.01.18.
59. Assistant Director (policy)attended the export awareness training at Kannur, organised by O/o DGFT, Kochi &FIEO and made presentation on Export Promotion schemes on 14.02.18.
60. Consultant, R.O attended meeting under the Chairmanship of DC(Handicrafts) for allotment of office space in Deendayal Hastkala Sankul (Trade Centre & Museum), Varanasi earlier known as Trade Facilitation Centre & Crafts Museum on 16.02.18.
61. Consultant, R.O attended EC Meeting under the Chairmanship of Secretary (Commerce) in connection with MAI proposal for the year 2018-19 on 23.02.18.
62. Chairman and Consultant, R.O attended meeting under the Chairmanship of Textiles (Secretary) in connection with Textile India 2018 on 27.02.18.
63. Joint Director attended meeting organized by Department of Handlooms and Textiles, Tamil Nadu to scrutinize and finalize the proposals of Marketing Incentive for the year 2017-18 under NHDP on 02.03.2018.
64. Joint Director attended selection committee for opening of application received for engaging marketing consultancy organised by Department of Handlooms and Textiles, Tamil Nadu on 13.03.2018.
65. Joint Director attended meeting to scrutinize the documents submitted the marketing consultancy agency organised by organized by Department of Handlooms and Textiles, Tamil Nadu on 27.03.2018.

Seminars/workshops

1. HEPC organized a Road Show on Textiles India 2017 at Panipat on 08.05.2017. The Road show was chaired by Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles, Govt. of India, Shri. Krishan Panwar. Hon'ble Transport Minister, Govt. of Haryana; Shri Ashwini Kumar Chopra, Hon'ble MP, Panipat; Smt. Rohita Rewri, Hon'ble MLA, Panipat; Shri Alok Kumar, DCHL & Shri V. Kumar, Chairman, HEPC participated in the Road Show. Shri Alok Kumar, DCHL made a Power point presentation on Textiles India 2017 in which detailed information regarding the fair as well as other activities were explained. Hon'ble Minister of Textiles, Govt. of India explained in detail the importance of Textiles India 2017 & desired that Panipat exporters should participate in large numbers in the event.
2. Seminar on "Goods and Services Tax (GST)" was organized in Kannur, Kerala on 17th May 2017. The event was organized with financial assistance from Ministry of Textiles,

Govt. of India under NHDP Scheme. Council organised this seminar in order to create awareness among member exporters regarding GST tax regime and support them to prepare themselves for the new policies and procedures under GST.

3. Council along with Export Promotion Council for Handicrafts organized a Road Show on Textiles India 2017 at Imphal, Manipur on 31st May 2017. Artisans and weavers from Manipur had showcased exclusive Handloom and handicrafts products during this Road Show. Shri Ajay Tamta, Hon'ble Minister of State for Textiles, Govt. of India, graced the occasion as Chief Guest. Shri R. Anand, Executive Director, HEPC, delivered the welcome speech and requested the handloom manufacturers/artisans from Manipur to participate in the mega event. Hon'ble Minister of State for Textiles in his address assured all support and cooperation from Govt. of India to develop handloom and handicraft products from Manipur to the export markets.
4. Seminar on "Goods and Services Tax (GST)" were organized in Karur, Varanasi and Panipat on 16/6/2017, 19/6/2017 & 20/6/2017 respectively. The event was organized with financial assistance from Ministry of Textiles, Govt. of India under NHDP Scheme. Council organized this seminar in order to create awareness among member exporters regarding GST tax regime and support them to prepare themselves for the new policies and procedures under GST.
5. As a part of Textiles India 2017 media promotion in Chennai, a Press Conference was held in Chennai at 4pm on 7th June 2017. The Press conference was organised jointly by Handloom Export Promotion Council (HEPC), National Jute Board (NJB) and South Indian Mills Association (SIMA). Shri A. Madhukumar Reddy, Joint Secretary, Ministry of Textiles, Government of India and Shri K. Phanindra Reddy, Principal Secretary, Handlooms, Handicrafts, Textiles and Khadi Department, Govt. of Tamilnadu addressed the Press Conference and interacted with media. Shri. R. Anand, Executive Director, HEPC presented bouquet to the Guests and welcomed them to the Press Conference.
6. Seminar on "Goods and Service Tax (GST)" was organized at Chennai in 28th July 2017. HEPC and TEXPROCIL jointly organized this seminar in order to create awareness among member exporters and sensitize members on GST tax regime and support them to prepare themselves for the new policies and procedures under GST. About 55 participants including exporters and members of handloom societies attended the seminar.
7. A seminar on Export Marketing was organized in Chirala, Andhra Pradesh on 4th December 2017. The event was organized with financial assistance from Ministry of Textiles, Govt. of India under NHDP Scheme. Council organised this seminar in order to create awareness in the cluster regarding export marketing and motivate them to exporting.
8. A seminar on Product Design Development & Diversification was organized in Alleppey, Kerala on 12th December 2017. The event was organized with financial assistance from Ministry of Textiles, Govt. of India under NHDP Scheme. Council organized this seminar for the member exporters in order to create awareness regarding product development

9. HEPC organized a Workshop on Export awareness and benefits at Kalna, West Bengal on 07.03.2018 to sensitize the Handloom industry about intricacies involved in export under National Handloom Development Programme (NHDP) of Office of the Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India. The seminar was attended by 40 participants.
10. Council organized a workshop on Strategies to increase Export of Handloom Products on 15.03.2018 at Handloom Park Chanderi, Madhya Pradesh to sensitize the handloom exporters, manufacturer-suppliers, clusters, societies and potential exporters in Chanderi about export of Indian handloom products, procedures & benefits. The seminar was attended by around 60 participants.
11. HEPC organized a Seminar on Product and Design Development for Exports on 21.03.2018 at Bargarh, Odisha to sensitize handloom exporters, manufacturers, suppliers, clusters, societies and potential exporters about export of Indian handloom products, procedures & benefits under National Handloom Development Programme (NHDP) of Office of the Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India. The seminar was attended by around 50 participants.
12. Council organized a seminar on Export Strategies for Handloom Products at Ahmedabad, Gujarat on 22.03.2018 to disseminate information regarding E Commerce, Color Trends and Visual Merchandising and IHB. The seminar was organized with the financial assistance from O/o Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India under NHDP scheme. Nearly 50 attendees participated in the seminar.
13. Council organized a seminar on Export Strategies for Handloom Products at Kokrajhar, Assam on 23.03.2018. The seminar was organized with the financial assistance from O/o Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India under NHDP scheme. Nearly 45 attendees comprising of Master weavers, Exporters, Aspirant exporters, NGO's and cluster executives participated in the seminar.
14. HEPC organized a Seminar on 27.03.2018 at Kullu on Export Strategies for Handloom Products to create awareness among the Master weavers, Exporters, Aspirant exporters, Co-operative Societies, Apex bodies and cluster executives about export procedure, facilities and assistance available from various departments of Government of India. The seminar was organized with financial assistance of O/o. Development Commissioner for Handloom, Ministry of Textiles, Government of India under NHDP scheme. About 40 entrepreneurs participated in the seminar.

INDEPENDENT AUDITOR'S REPORT

To the Members of HANDLOOM EXPORT PROMOTION COUNCIL

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **HANDLOOM EXPORT PROMOTION COUNCIL** ("*the Company*") which comprises the Balance Sheet as at March 31, 2018, the related Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that

give a true and fair view in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Income over Expenditure for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the matters specified in paragraphs 3 and 4 of the Order are not applicable
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the related Income and Expenditure Account dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate

Report in “**AnnexureA**”.

- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements under Item on Provision Contingent Liability and Contingent Assets in the notes to accounts.
 - ii. The Company 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 Company.

sd/-

CA.G.Ananthan

Partner

ICAI MemNo : 021916

FRN No : 000972S

**For and on behalf of
R. Gopalakrishnan & Co
Chartered Accountants**

Place: CHENNAI

Date: 05.09.2018

“Annexure A”**TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HANDLOOM EXPORT PROMOTION COUNCIL****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 HANDLOOM EXPORT PROMOTION COUNCIL (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the entity, 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 company’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 Company’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 ICAI 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 Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company'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 company'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 company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

sd/-

CA.G.Ananthan

Partner

ICAI MemNo : 021916

FRN No : 000972S

**For and on behalf of
R. Gopalakrishnan & Co
Chartered Accountants**

Place: CHENNAI

Date: 05.09.2018

HANDLOOM EXPORT PROMOTION COUNCIL
PART I - BALANCE SHEET AS AT 31ST MARCH 2018

S. No.	PARTICULARS	NOTE NO.	(In Rupees)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) SHARE CAPITAL	A	NIL	NIL
	(b) RESERVES AND SURPLUS	B	105,224,893	108,868,165
	(c) MONEY REC. AGST. SHARE WARRANTS		NIL	NIL
	TOTAL(1)		105,224,893	108,868,165
2	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>		NIL	NIL
3	<u>NON-CURRENT LIABILITIES</u>			
	(a) LONG TERM BORROWINGS		NIL	NIL
	(b) DEFERRED TAX LIABILITIES (NET)		NIL	NIL
	(c) OTHER LONG-TERM LIABILITIES	C	1,722,268	1,722,268
	(d) LONG-TERM PROVISIONS	D	NIL	NIL
	TOTAL(3)		1,722,268	1,722,268
4	<u>CURRENT LIABILITIES</u>			
	(a) SHORT TERM BORROWINGS	E	NIL	NIL
	(b) TRADE PAYABLES		19,489,534	11,620,856
	(c) OTHER CURRENT LIABILITIES	F	18,746,698	17,257,147
	(d) SHORT TERM PROVISIONS	G	6,450,065	6,937,686
	TOTAL(4)		44,686,297	35,815,689
	TOTAL(1+2+3+4)		151,633,457	146,406,121
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS	H		
	(i) TANGIBLE ASSETS		50,302,103	56,350,386
	(ii) INTANGIBLE ASSETS		NIL	NIL
	(iii) CAPITAL WORK-IN-PROGRESS		NIL	NIL
	(iv) INTANGIBLE ASSETS UNDER DEV.		NIL	NIL

S. No.	PARTICULARS	NOTE NO.	(In Rupees)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
	(b) NON-CURRENT INVESTMENTS		NIL	NIL
	(c) DEFERRED TAX ASSETS (NET)		NIL	NIL
	(d) LONG-TERM LOANS AND ADVANCES	I	662,267	656,267
	(e) OTHER NON-CURRENT ASSETS	J	NIL	NIL
	TOTAL(1)		50,964,370	57,006,653
2	CURRENT ASSETS			
	(a) CURRENT INVESTMENTS	K	NIL	NIL
	(b) INVENTORIES	L	395,377	395,377
	(c) TRADE RECEIVABLES	M	NIL	NIL
	(d) CASH AND CASH EQUIVALENTS	N	37,713,342	45,426,221
	(e) SHORT-TERM LOANS AND ADVANCES	O	16,969,987	9,139,790
	(f) OTHER CURRENT ASSETS	P	45,590,381	34,438,080
	TOTAL(2)		100,669,088	89,399,468
	TOTAL(1+2)		151,633,457	146,406,121

The accompanying notes are integral part of the financial statements

As per our report of even date

For R Gopalakrishnan & Co.

Firm Regn.No: 000972S

Chartered Accountants

FOR HANDLOOM EXPORT PROMOTION COUNCIL

sd/-
(G ANANTHAN)
Partner
Membership No: 021916

sd/-
(S B DEEPAK KUMAR)
EXECUTIVE
DIRECTOR

sd/-
(K N PRABHU)
CHAIRMAN

sd/-
(T V CHANDRASEKARAN)
VICE-CHAIRMAN

PLACE: CHENNAI
DATED: 05.09.2018

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
A		<u>SHARE CAPITAL:</u>		
		<u>(1)AUTHORISED:</u>	NIL	NIL
		<u>(2)ISSUED, SUBSCRIBED& PAID UP</u>	NIL	NIL
		NIL	NIL	
B	1	<u>RESERVE & SURPLUS:</u>		
		<u>OTHER RESERVES</u>		
		Opening Balance	108,868,165	115,407,621
		Additions during the Year	(3,643,271)	(6,539,457)
		Utilizations during the year	-	-
		GRAND TOTAL	105,224,893	108,868,165
		Notes:		
		No Reserve specifically earmarked for investments		
C		<u>OTHER LONG-TERM LIABILITIES:</u>		
		HEZ- THIRUVANNAMALAI	1,156,716	1,156,716
		DUE TO GOVT-SPECIAL ASSISTANCE FOR EXPORTS	565,552	565,552
		RENT ADVANCE	-	-
		1,722,268	1,722,268	
D		<u>LONG-TERM PROVISIONS:</u>	NIL	NIL
			NIL	NIL
E		<u>CURRENT LIABILITIES</u>		
		<u>SHORT-TERM BORROWINGS:</u>	NIL	NIL
			NIL	NIL
		<u>TRADE PAYABLES</u>		
	SUNDRY CREDITORS	19,489,534	11,620,856	
		19,489,534	11,620,856	

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
F		<u>OTHER CURRENT LIABILITIES</u>		
	1	CURRENT MATURITIES OF LONG TERM DEBTS	NIL	NIL
	2	INTEREST ACCRUED BUT NOT DUE ON BORROWINGS	NIL	NIL
	3	INTEREST ACCRUED AND DUE ON BORROWINGS	NIL	NIL
	4	UNPAID DIVIDENDS	NIL	NIL
	5	TDS PAYABLE	871,281	63,795
	6	CURRENT YEAR'S TAXES PAYABLE(NET OF ADVANCE TAX)	NIL	NIL
	7	<u>INCOME RECEIVED IN ADVANCE</u>		
		-MEMBERSHIP FEES	1,420,000	849,400
		-PARTICIPATION FEES	10,505,000	10,685,922
		-GRANT RECEIVED IN ADVANCE	-	3,000,000
	8	-GRANT PAYABLE-MDA	-	880,255
		-GRANT PAYABLE	4,928,844	430,403
		-GRANT PAYABLE TO EXPORTERS	400,000	400,000
	9	SECURITY DEPOSIT	621,573	621,573
	10	RENT RECEIVABLE	-	325,799
			18,746,698	17,257,147
G		<u>SHORT-TERM PROVISIONS</u>		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	6,450,065	6,937,686
		(b) PROVISIONS RENT PAYABLE	-	-
			6,450,065	6,937,686
H	(a)	<u>FIXED ASSETS</u>	50,302,103	56,350,386
I	a	<u>LONG TERM LOANS AND ADVANCES:</u>		
		SECURITY DEPOSITS - RENT ADVANCE	662,267	656,267
			662,267	656,267
J	a	<u>OTHER NON-CURRENT ASSETS</u>	NIL	NIL
	(b)	<u>INVENTORIES:</u>		
	1	RAW MATERIALS,	NIL	NIL
	2	OTHERS;(STOCK OF BOOKS)	395,377	395,377
			395,377	395,377

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
K	b	CASH & CASH EQUIVALENTS :		
		(a) BALANCE WITH BANKS		
		<u>IN FIXED DEPOSITS</u>		
		EARMARKED BALANCES WITH BANKS	565,552	565,552
		HELD AS MARGIN MONEY AGAINST BORROWINGS,	NIL	NIL
		AND OTHER COMMITMENTS.	NIL	NIL
		MATURITY WITH MORE THAN 12 MONTHS	NIL	NIL
		OTHERS- FIXED DEPOSITS	20,323,439	25,563,363
		<u>IN CURRENT ACCOUNTS:</u>	6,922,198	7,132,040
		SAVINGS ACCOUNTS	9,900,396	12,158,409
		(b)CASH ON HAND	1,757	6,857
		Funds In Transit	-	-
			37,713,342	45,426,221
L	(e)	SHORT TERM LOANS & ADVANCES:		
		ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
		(1)ADVANCE TO PARTIES	1,551,995	1,186,779
		(2) RECIEVABLE FROM REVENUE AUTHORITIES	7,976,647	6,365,289
		3 Pre Deposit - Service Tax Appeal	1,587,722	1,587,722
		(4) RECEIVABLE	5,853,623	-
			16,969,987	9,139,790
M	(f)	OTHER CURRENT ASSETS:		
		GRANT RECEIVABLE - FAIR PARTICIPATION	41,036,384	31,266,387
		INTEREST ACCRUED ON INVESTMENTS	1,308,327	1,300,919
		PREPAID EXPENSES	3,245,670	1,870,774
			45,590,381	34,438,080

NOTE NO.	S.N	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2017
Q		<u>CONTINGENT LIABILITIES AND COMMITMENTS</u> (TO THE EXTENT NOT PROVIDED FOR)	133,115,245	118,373,600
	i	<u>CONTINGENT LIABILITIES</u> (a) CLAIM AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS;	NIL	NIL
	ii	(b) GUARANTEES; © OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE. <u>COMMITMENTS</u> (a) ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR; (b) UNCALLED LIABILITY ON SHARES AND OTHER INVESTMENTS PARTLY PAID; (c) OTHER COMMITMENTS	NIL NIL NIL	NIL NIL NIL
R		<u>THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD</u>		
S		AMOUNT PER EQUITY SHARE <u>ISSUE OF SECURITIES FOR SPECIFIC PURPOSE</u>	NA NA	NA NA
T		DETAIL OF ANY ASSETS OTHER THAN FIXED ASSETS AND NON-CURRENT INVESTMENTS WHICH DO NOT HAVE A VALUE ON REALISATION IN THE ORDINARY COURSE OF BUSINESS AT LEAST EQUAL TO THE AMOUNT AT WHICH THEY ARE STATED.	NA	NA

As per our report of even date

For R Gopalakrishnan & Co.

Firm Regn.No: 000972S

Chartered Accountants

FOR HANDLOOM EXPORT PROMOTION COUNCIL

sd/-
(G ANANTHAN)
Partner
Membership No: 021916

sd/-
(S B DEEPAK KUMAR)
**EXECUTIVE
DIRECTOR**

sd/-
(K N PRABHU)
CHAIRMAN

sd/-
(T V CHANDRASEKARAN)
VICE-CHAIRMAN

PLACE: CHENNAI
DATED: 05.09.2018

SCHEDULE FOR FIXED ASSETS FOR THE FINANCIAL YEAR 2017-18

Particulars	Useful life	Rate	Net Block			Depreciation			Net Block			
			As at 01.04.2017	Additions for the year	Deletion	As at 31.03.2018	for the year	Additions	Deletions	As at 31.03.2018	Depn upto 31.03.2018	As at 31.03.2017
Land	0		2980144.00	-	-	2980144.00	-	-	-	-	2980144.00	2980144.00
Fax	5	45.07	787.00	-	-	787.00	355.00	-	-	355.00	432.00	787.00
Furniture	10	25.89	2216512.00	40,900.00	-	2257412.00	573855.00	10,095.82	-	583950.82	1673461.18	2216512.00
Stabiliser	10	25.89	979.00	-	-	979.00	253.00	-	-	253.00	726.00	979.00
Airconditioner	15	13.91	1392010.00	0.00	-	1392010.00	193629.00	-	-	193629.00	1198381.00	1392010.00
Computer	3	63.16	460453.00	180300.00	-	640753.00	290822.00	102,769.80	-	393591.80	247161.20	460453.00
Cell Phone	3	63.16	9060.00	20730.00	-	29790.00	5722.00	9,219.72	-	14941.72	14848.28	9060.00
Fan	10	25.89	9121.00	-	-	9121.00	2361.00	-	-	2361.00	6760.00	9121.00
Office Equipments	5	45.07	571099.00	140040.00	-	711139.00	257394.00	21,161.64	-	278555.64	432583.36	571099.00
Generator	15	13.91	675459.00	-	-	675459.00	93956.00	-	-	93956.00	581503.00	675459.00
Motor Car	8	31.23	215499.00	-	-	215499.00	67300.00	-	-	67300.00	148199.00	215499.00
20 Kva Ups	5	45.07	85846.00	-	-	85846.00	38691.00	-	-	38691.00	47155.00	85846.00
M V Panel	5	45.07	97552.00	-	-	97552.00	43967.00	-	-	43967.00	53585.00	97552.00
Electrical Equipments	10	25.89	965067.00	-	-	965067.00	249856.00	-	-	249856.00	715211.00	965067.00
Building	30	9.5	46605310.00	-	-	46605310.00	4427504.00	-	-	4427504.00	42177806.00	46605310.00
Computerisation	3	63.16	65454	-	-	65454	41341	0	0	41341	24113	65454
Total			56350352.00	381970.00	0.00	56732322.00	6287006.00	143246.98	0.00	6430252.98	50302069.02	56350352.00
Assets carried at Residual Value												
	Remaining Usefulife	Rate	Net Block			Depreciation			Net Block			
			As at	Additions	Deletion	As at	for the year	Additions	Deletions	As at	As at	As at
Particulars			01.04.2017	for the year		31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2017
Weighing Machine (at Residual Value)			35.00	-	-	35.00	-	-	-	35.00	35.00	35.00
Total			35.00	0.00	0.00	35.00	0.00	0.00	0.00	35.00	35.00	35.00

PART II - STATEMENT OF INCOME AND EXPENDITURE**HANDLOOM EXPORT PROMOTION COUNCIL**

INCOME AND EXPENDITURE STATEMENT 31ST MARCH 2018

S. No	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017
	<u>REVENUE FROM OPERATIONS</u>			
I	REVENUE FROM OPERATIONS	1	82,327,781	84,413,501
II	OTHER INCOME	2	16,442,472	11,149,826
III	TOTAL REVENUE(I+II)		98,770,253	95,563,327
IV	<u>EXPENSES:</u>			
a	EMPLOYEE BENEFITS EXPENSES	3	20,638,731	22,776,072
b	FINANCE COSTS	4	103,349	91,061
c	DEPRECIATION AND AMORTIZATION EXPENSE	5	6,430,253	7,211,866
d	OTHER EXPENSES	6	75,241,192	72,023,785
	TOTAL EXPENSES		102,413,525	102,102,784
V	INCOME OVER EXPENDITURE / DEFICIT	7	(3,643,271)	(6,539,457)
			(3,643,271)	(6,539,457)

For R Gopalakrishnan & Co.

Firm Regn.No: 000972S

Chartered Accountants

FOR HANDLOOM EXPORT PROMOTION COUNCIL

sd/-
(G ANANTHAN)
 Partner
 Membership No: 021916

sd/-
(S B DEEPAK KUMAR)
EXECUTIVE
DIRECTOR

sd/-
(K N PRABHU)
CHAIRMAN

sd/-
(T V CHANDRASEKARAN)
VICE-CHAIRMAN

PLACE: CHENNAI
 DATED: 05.09.2018

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE FOR THE
YEAR ENDED 31ST MARCH 2018

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017	
1	a	<u>REVENUE FROM OPERATIONS</u>			
	-Membership Fees	9,962,400		9,505,900	
	-Participation Fees	65,578,367		64,640,790	
	GRANT TO EXPORTERS				
	-NHDP SCHEMES	4,537,014		5,941,811	
	-MAI SCHEMES	2,250,000		-	
	-MDA SCHEMES	-		4,325,000	
		82,327,781		84,413,501	
	NET REVENUE FROM OPERATIONS	82,327,781		84,413,501	
2	b	<u>OTHER INCOME</u>			
	<u>Interest income on</u>				
	Fixed Deposits	1,942,733		1,737,424	
	Saving Bank Accounts	562,075		459,804	
	Other Non Operating Income	8,577,596		4,025,266	
	RENT	5,360,068		4,927,332	
	-				
		16,442,472		11,149,826	
	Notes;				
	Other Non Operating Income includes				
	a. Grant of external affairs & CII - Rs.4813964				
	b. Grant of DCH for FICCI - Rs.3034704				
	c. Amenity & Maintenance - Rs.452804				
	d. service charges - Rs. 94500				
3	<u>EMPLOYEE BENEFITS EXPENSE</u>				
	<u>SALARY AND WAGES</u>				
	OFFICE STAFF SALARY	16,908,544		18,156,776	
	DIRECTOR REMUNERATION	NIL		NIL	
	<u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u>				

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017	
	CONTRIBUTION TO PROVIDENT FUND		2,433,096		1,543,538
	CONTRIBUTION TO EMPLOEES STATE INS.FUND		NIL		NIL
	CONTRIBUTION TO OTHER FUNDS- GRATUITY		835,321		2,305,299
	<u>OTHER EXPENSES</u>				
	WORKERS AND STAFF WELFARE		123,937		127,613
	BONUS		337,833		642,846
			20,638,731		22,776,072
4	<u>FINANCIAL COSTS:</u>				
a	<u>INTEREST EXPENSE</u>				
	BANK CHARGES		103,349		91,061
	INTEREST TO PARTIES/DISTRIBUTORS(NET)		NIL		NIL
	INTEREST TO DEPOSITORS		NIL		NIL
	INTEREST TO BANK ON VEHICLE LOAN		NIL		NIL
	INTERST ON TDS & OTHER TAXES		NIL		NIL
b	OTHER BORROWING COSTS		NIL		NIL
c	APPLICABLE NET GAIN/LOSS ON FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS		NIL		NIL
			103,349		91,061
5	<u>DEPRECIATION AND AMORTZATION EXPENSES:</u>				
	DEPRECIATION		6,430,253		7,211,866
	-ADDITIONAL DEPRECIATION		-		-
			6,430,253		7,211,866
6	<u>OTHER EXPENSES:</u>				
A	<u>ADMINISTRATIVE EXPENSE</u>				
	CAR EXPENSES		276,776		325,995
	FESTIVAL CELEBERATION EXPENSES		23,000		17,817

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017	
	SUBSCRIPTION/MEMBERSHIP FEES		7,188		7,188
	ELECTRICITY EXPENSES (OFFICE)		586,242		620,002
	ENTERTAINMENT EXP.		207,828		454,316
	RATES & TAXES, OTHER FEES, INSURANCE		1,260,058		377,915
	GENERAL EXPENSES		574,212		503,417
	LEGAL EXPENSES		59,600		40,800
	NEWS PAPER & PERIODICALS		18,520		19,216
	PAYMENT TO THE AUDITORS		82,600		82,600
	POSTAGE & COURIER EXP.		520,911		444,785
	PRINTING & STATIONERY		717,074		849,542
	REPAIR TO BUILDINGS & MAINTENANCE		488,736		472,385
	NHDP SCHEMES- EXHIBITIONS	36,373,984		59,099,628	-
	LESS: GRANT UTILIZED - EXHIBITIONS	31,062,122	5,311,862	37,445,400	21,654,228
	NHDP SCHEMES- OTHER PROJECTS	15,517,043		19,900,049	
	LESS: GRANT UTILIZED- PROJECTS	15,283,060	233,983	16,522,425	3,377,624
	MAI SCHEMES- EXHIBITIONS	41,057,979		33,666,153	
	LESS; GRANT UTILIZED - EXHIBITIONS	19,796,481	21,261,498	16,000,000	17,666,153
	MAI SCHEMES - TEXTILE INDIA EXHIBITION	18,176,216		9,160,086	
	LESS: GRANT UTILIZED- EXHIBITIONS	4,286,071	13,890,145	3,744,745	5,415,341
	OTHER FAIRS - SELF SUSTAINED BASIS		10,017,156		-
	LIAISON OFFICE		64,916		-
	VRS		500,000		-
	ROAD SHOW		606,557		-
	IHGF (SPRING)		1,099,790		1,056,220
	-MAI EXPORTER GRANT		2,250,000		-
	-MDA EXPORTER GRANT		-		4,325,000
	-TRAVEL GRANT TO EXPORTERS		4,537,014		5,941,811
	REPAIR & MAINTENANCE (GENERAL) - AMC		630,551		729,615
	TELEPHONE EXP.		367,070		452,185
	DIGITAL INDIA PAYMENT		-		1,185,970

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017	
	CONFERENCE EXPENSES & TA to COMMITTEE MEMBERS		879,457		727,925
	TRAVELLING EXPENSES TA to OFFICERS STAFF		943,395		1,728,082
	HONORARIUM & SALARY TO CONTINGENT STAFF		1,612,753		560,436
	SHORT PAYMENT IN GRANTS		2,347,752		667,449
	RENT RO OFFICE		-		150,500
	ADVERTISEMENT CHARGES		-		338,073
	IIHF 2017 - CANCELLATION		337,110		1,582,605
	INTEREST FOR REFUND OF GRANT		489,801		137,023
	FICCI		3,034,704		-
	PRIOR PERIOD EXPENSES		2,933		111,568
			75,241,192		72,023,785
	<p>Short payment in grants includes Chile fair, seminar 2016-17 Pret A Porter, Global USA & Australia fairs -2015-16 We have made Grant Receivable as per Utilization Certificate submitted to Ministry but Ministry has made some cuts in grants Hence this expenditure is incurred</p>				
	<u>SELLING & DISTRIBUTION EXPENSE</u>				
	ADVERTISEMENT EXPS.		NIL		NIL
	ADVERTISEMENT (MEDIA)		NIL		NIL
	CONFERENCE EXPENSES		NIL		NIL
	FREIGHT & CARTAGE(OUTWARD)		NIL		NIL
	DR./CR. W/O		NIL		NIL
	SALE COMMISSION & INCENTIVES		NIL		NIL
	PENALTIES		NIL		NIL
	TRAVELLING EXPENSES		NIL		NIL
	MARKETING STAFF TOUR EXPENSES		NIL		NIL
			-		-
	GRAND TOTAL		75,241,192		72,023,785

HANDLOOM EXPORT PROMOTION COUNCIL

ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF INCOME AND
EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2018

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2018	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2017
a	<u>PAYMENT TO THE AUDITORS AS</u> AUDITOR		
	FOR TAXATION MATTERS	47,200	47,200
	FOR COMPANY LAW MATTERS	-	-
	FOR MANAGEMENT SERVICES	23,600	23,600
	FOR OTHER SERVICES	11,800	11,800
	FOR REIMBURSEMENT OF EXPENSES	-	-
	TOTAL	82,600	82,600
	VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE		
	COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF		
	I RAW MATERIALS;	NIL	NIL
II COMPONENTS AND SPARE PARTS;	NIL	NIL	
III CAPITAL GOODS;	NIL	NIL	
TOTAL	NIL	NIL	
b	EXPENDITURE IN FOREIGN CURRENCY DURING THE		
	FINANCIAL YEAR ON ACCOUNT OF	NIL	NIL
	ROYALTY	NIL	NIL
	KNOWHOW	NIL	NIL
	PROFESSIONAL AND CONSULTATION FEES	NIL	NIL
	INTEREST	NIL	NIL
	FOREIGN TRAVELLING	NIL	NIL
	FEES AND TAXES	NIL	NIL
	OTHER PROMOTIONAL EXPENSES OF HANDLOOM EXPORT	72,852,696	74,957,675
	TOTAL	72,852,696	74,957,675
PRIOR PERIOD EXPENDITURE	2,933	111,568	
TOTAL	2,933	111,568	

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2018

NOTES ON ACCOUNTS

1. Significant Accounting Policies

System of Accounting: The financial statements are prepared under the historical cost convention on accrual basis of accounting as per the provisions of the Companies Act, 1956 and Accounting Principles accepted in India and the Companies (Accounting Standards) Rules, 2006.

Provisions, Contingent Liability and Contingent Asset: Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liability (Not provided in the books): The Income tax Department has raised demands against the Council as follows:

Demand Amount	Assessment year	Appeal pending before
Rs.1,34,63,453/-	2009-10	Commissioner of Income Tax Appeals.
Rs.1,65,62,811/-	2010-11	Commissioner of Income Tax Appeals.
Rs.2,22,35,150/-	2011-12	Commissioner of Income Tax Appeals.
Rs.1,76,85,085/-	2012-13	Commissioner of Income Tax Appeals.
Rs.2,69,57,480	2013-14	Commissioner of Income Tax Appeals.
Rs.3,62,11,266/-	2014-15	Commissioner of Income Tax Appeals.

The Contingent Assets are neither recognized nor disclosed in the Financial Statements.

Revenue Recognition: The revenue from the members is recognized on enrollment.

Fixed Assets: Fixed Asset is stated at cost less depreciation. Specific Grants related to specific fixed assets are shown as a deduction from Gross value of the asset concerned, in arriving at the book value. If the specific grant received is equals the whole or virtually the whole, cost of the asset is shown at the nominal value.

With regard to New Asset only residual value taken as 5%.

With regard to old Asset No residual value is taken.

Depreciation: Depreciation for the year has been provided with reference to useful life of the Assets as prescribed by the Companies Act 2013 . Hence the Written Down Value in excess has been taken to Depreciation.

Government Grant: Grant is accounted to confirm AS-12 issued by ICAI, and accordingly the grant is

- a) Deducted in reporting the related expenses
- b) Assets acquired out of grant are accounted net of specific grant received

GST:The Management is collecting GST on Membership fees and remitting to GST department.

Service Tax case relates to previous year demands were disposed of by an order dated 07.06.18.

Retirement Benefit:

- i. All short term employee benefits are recognized at their undiscounted amount in accounting period in which they are incurred.
- ii. Employee benefits under defined contribution plans comprising Provided Funds are recognized based on the undiscounted obligation of the company to contribute to the plan. The same is paid to a trust, administrated independently.
- iii. Provision for Gratuity is made on accrual basis, as per the Payment of Gratuity act on undiscounted basis.

2. Remuneration to Auditor:

Particulars	Current year ended 31.03.2018	Previous year ended 31.03.2017
Statutory Auditors	47200	47200
Internal Auditors	23600	23600
PF Auditors	11800	11800

3. Earning in Foreign Currency:

Particulars	Current year ended 31.03.2018	Previous year ended 31.03.2017
i. Export of Goods / Services calculated on FOB Basis	NIL	NIL
ii. Royalty, know-how, professional and consultancy fees	NIL	NIL
iii. Interest and Dividend	NIL	NIL
iv. Other Income	NIL	NIL

4. Expenditure in Foreign Currency:

Particulars	Current year ended 31.03.2018	Previous year ended 31.03.2017
i. Royalty	NIL	NIL
ii. Know-how	NIL	NIL
iii. Professional Fees	NIL	NIL
iv. Consultancy Fees	NIL	NIL
v. Interest	NIL	NIL
vi. Other Promotional expenses of Handloom export	Rs.7,28,52,696/-	Rs.7,49,57,575/-
vii. Amount remitted in foreign currency on account of dividend	NIL	NIL

5. Detail of Prior period adjustment:

Particulars	Current year ended 31.03.2018	Previous year ended 31.03.2017
Income	NIL	NIL
Expenditure	2933/-	111568/-
Excess provision made on Grant	2347752/-	667449/-

6. Detail of Grant for the year 2017-18

Particulars	Ministry of Textiles		Ministry of Commerce & Industry- MAI Schemes	MAI Scheme Textile India	Ministry of Textiles Ministry function	Other Receivables External Ministry & CII for Textiles India, 2017
	Exhibitions including Grant to exporters	Other Projects				
Grant Received	78,73,750/-	1,77,93,407/-	1,41,71,481/-	1,14,00,000/-	0	
Grant Receivable	2,92,05,386/-	8,89,687/-	78,75,000/-	0	30,34,704/-	External affairs- Rs.7,13,800/- Confederation of Industry- Rs.41,00,164/-
Total Grant	3,70,79,136/-	1,86,83,094/-	2,20,46,481/-	1,14,00,000/-	30,34,704	
Grant Utilized	3,55,99,136/-	1,52,83,060/-	2,20,46,481/-	42,86,071	0	0
Refunded	0	3,51,190/-	0	71,13,929/-	0	0
REFUNDABLE	14,80,000/-	30,48,844/-	0	0	0	0

7. Details of Gratuity Fund

Opening balance	2017-18	2016-17
Opening balance	65,50,895.00	57,85,596.00
Less : transfer to Gratuity Fund	11,00,000.00	15,40,000.00
Add: Provision for the year	8,35,321.00	23,05,299.00
Closing balance	62,86,216.00	65,50,895.00

8. **Capital Commitment:** Estimated amount of cost remaining to be executed on capital account (net of advances) and not provided for, in the accounts Rs. Nil (previous year Rs. Nil).
9. Previous year figure have been regrouped to confirm current year classification.

For Handloom Export Promotion Council

For R. Gopalakrishnan & CO.
(Chartered Accountants)

(G Ananthan)
Partner

(S B Deepak Kumar)
Executive Director

(K N Prabhu)
Chairman

T V Chandrasekaran
Vice-Chairman

THE HANDLOOM EXPORT PROMOTION COUNCIL

No.34, Cathedral Garden Road, Nungambakkam, Chennai – 600 034.

PROXY

Registration Cum Membership Certificate (RCMC) No:.....

State:

I/We.....of.....being a member of the HEPC here by appoint.....of.....or failing him.....of.....as proxy to vote on my / our behalf at the 49th Annual General Meeting of the Council to be held on the 29th date of September 2018 and any adjournment thereof.

This proxy form is to be issued in favour of/against the Resolution No..... unless otherwise instructed the proxy will vote as he thinks it.

Signed at this.....date of.....2018.

Seal:

Signature



Note: The proxy must be lodged so as to reach the Registered Office of the Council not less than forty eight hours (excluding holidays) before the time for holding the aforesaid meeting.

Instructions: All blanks must be filled up, including the RCMC No.

THE HANDLOOM EXPORT PROMOTION COUNCIL

No.34, Cathedral Garden Road, Nungambakkam, Chennai – 600 034.

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the meeting hall.

Name & Address of the member:.....

.....

.....

Membership No.

(to be filled in by Member/RTE/Authorised Representative/Proxy)

I certify that I am a Registered Member/RTE/Authorised Representative/Proxy for the Registered Member/RTE of the Council.

I hereby accord my presence, at the Forty Ninth Annual General Meeting of the Council to be held on 29th September 2018 at 12.00 Noon at the Premises of the Council.

Signature (of the Registered Member/RTE/Authorised Representative/Proxy)

