

50th
ANNUAL REPORT
2018-19



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 M. Charles, M/s. JVS Export, Madurai.
7. Shri M. Thirumurthy, M/s. Unity Exports, Karur.
8. Shri K.M. Saleem, M/s. K.A.S. Zainulabdin & Co, Chennai.
9. Shri K. Kumaravel, M/s. Ponni Fab, Karur.
10. Shri Ramesh Verma, M/s. Diamond Exports, Panipat
11. Shri V.C. Selvan, M/s. American Textile Company, Karur.
12. Shri P. Arjuna, M/s. Manju Exports, Karur
13. Shri V. Lakshmi Narasimhan, M/s. Sri Laxmi Export, Karur
14. Shri Lalit Goel, M/s. Riviera Home Furnishing Pvt Ltd., Panipat.
15. Shri Kuldeep Raj Wattal, M/s. Chinar International, Noida.
16. Shri Gagan Rai, M/s. Seth Kumar Rai International, New Delhi.
17. Vacant.
18. Vacant.

CO-OPTED MEMBERS

1. Shri M. Britto, M/s. C. Swaminatha Mudaliar Sons & Co., Madurai.
2. Shri N.R. Venkatachalam, M/s. Asian Fabricx Pvt. Ltd., Karur.

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 fiftieth Annual General Meeting of the Handloom Export Promotion Council will be held at 12.00 noon on Monday the 30th September 2019, 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 2019, the Audited Balance Sheet, the Income & Expenditure Account for the year ended 31st March 2019, 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 2019-20 and fix their remuneration.
3. To elect members to the Executive Committee in the place of members retiring by rotation.
4. Any other business.

(By order)

Sd/-

Date: 06.09.2019

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 at least 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 2019-20 and Fix their Remuneration.

At the 49th Annual General Meeting held on 29.09.2018, M/s R. Gopalakrishnan & Co., Chennai were appointed as Auditor of the Council for the year 2018-19 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 2019-20 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 / Lungies / Real Madras Handkerchiefs

1. Shri M. Thirumurthy,
M/s. Unity Exports, Karur.

Handloom Madeups

1. Shri V. Lakshmi Narasimhan,
M/s. Sri Laxmi Export, Karur.
2. Shri M. Charles,
M/s. JVS Export, Madurai.
3. Shri K. Kumaravel,
M/s. Ponni Fab, Karur.
4. Shri P. Arjuna,
M/s. Manju Exports, Karur.

Others including Handloom Clothing Accessories

1. Vacant.
2. Vacant.

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 Madeups	4
3. Others including Handloom Clothing Accessories	2
Total	7

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 2018-19

MEMBERSHIP OF THE COUNCIL

The total number of Members / RTEs of the Council at the end of the year 2018-19 were 1517

As on 1st April, 2018	1501
DEDUCT: Number of Members/RTEs removed from membership roll on account of default in payment of subscription, Resignation, change in constitution, etc.,	210
ADD: Number of Members/RTEs restored	21
ADD: Number of RTEs included in membership roll on account of fresh enrolment	205
As on 31.03.2019	1517

CONSTITUTION OF THE EXECUTIVE COMMITTEE

CHAIRMAN

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

VICE CHAIRMAN

Shri T.V. Chandrasekaran, **from 29/03/2018**
M/s. Rakhava Impex, 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, **(from 29.09.2018 upto AGM)**
M/s. C. Swaminatha Mudaliar Sons & Co., Madurai.
2. Shri N.R.Venkatachalam, **(from 29.09.2018 upto AGM)**
M/s. Asian Fabricx Pvt. Ltd, Karur.

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 29.09.2018)**
M/s. K.A.S. Zainulabdin & Co, Chennai.

Handloom Floor Coverings

1. Shri Ramesh Verma, **(Elected on 29.09.2018)**
M/s. Diamond Exports, Panipat.
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 29.09.2018)**
M/s. The Standard Textiles, Karur.
2. Dr. K.N. Prabhu, **(Elected on 29.09.2018)**
M/s. Paradigm International, Karur.
3. Shri V. Lakshmi Narasimhan, **(Elected on 12.09.2016)**
M/s. Sri Laxmi Export, Karur.
4. Shri R. Rajendiran, **(Elected on 29.09.2018)**
M/s. Trident Home Furnishings (P) Ltd., Chennai
5. Shri P. Gopalakrishnan, **(Elected on 29.09.2018)**
M/s. Metro Fabrics, Karur
6. Shri T.V. Chandrasekaran, **(Elected on 29.09.2018)**
M/s. Rakhava Impex, Karur.
7. Shri M. Charles, **(Elected on 12.09.2016)**
M/s. JVS Export, Madurai.
8. Shri K. Kumaravel, **(Elected on 12.09.2016)**
M/s. Ponni Fab, Karur.
9. Shri P. Arjuna **(Elected on 12.09.2016)**
M/s. Manju Exports, Karur.
10. Shri V.C. Selvan, **(Elected on 29.09.2018)**
M/s. American Textile Company, Karur.

Others including Handloom Clothing Accessories

1. Vacant.
2. Vacant.

1. Meetings of the Council:

- a) The 49th Annual General Meeting of the Council was held on 29.09.2018 at Council's premises.
- b) Meetings of the Executive Committee

29.06.2018	213 th Executive Committee Meeting
05.09.2018	214 th Executive Committee Meeting
29.09.2018	215 th Executive Committee Meeting
16.02.2019	216 th Executive Committee Meeting
20.03.2019	217 th Executive Committee Meeting

FINANCE

The total revenue for 2018-19 was Rs.979.80 lakh comprising of

Subscription and entrance fee for Membership	Rs. 98.83 lakh
Miscellaneous receipts including participation fee	Rs. 793.24 lakh
Grant for member exporters	Rs. 87.73 lakh

The total expenditure was Rs.770.89 lakh was classified such as Participation in Fairs/Exhibitions/RBSM, and Disbursement of grant to member exporters

Rs. 409.36 lakh

The expenditure on non - code activities including Depreciation on assets

Rs. 361.53 lakh

As on 31st March 2019, the total investment of Rs.233.89 lakh under Fixed Deposit in Nationalized Banks and Government.

EXPORT PROMOTION ACTIVITIES 2018-19

EXHIBITIONS ABROAD:

1. Hong Kong International Home Textiles & Furnishing Fair, Hong Kong, (20-23, April 2018)

Council participated in the 9th edition of the Hong Kong International Home Textiles & Furnishing Fair at Hong Kong organized by Hong Kong Trade Development Council (HKTDC) at Hong Kong Convention & Exhibition Centre, Hong Kong from 20-23 April 2018.

HEPC participated in this fair with 20-member exporters taking a total space of about 215 sq.mtr at Hall 3 and had put up a central promotional stall at the fair. As per the feedback received from exhibitors, 339 visitors had visited their stalls and spot order of Rs 1.19 crore and business enquiries worth Rs 9.70 crore were generated during the event.

Council organized participation in this event with grant under National Handloom Development Program (NHDP) of O/o Development Commissioner for Handlooms, Ministry of Textiles, Govt of India.

2. Global Indian Festival, Kuala Lumpur, Malaysia, (9-17, June 2018))

Council participated in the 16th edition of Global Indian Festival held at Mid Valley Exhibition Centre Kuala Lumpur, Malaysia with 10 registered holders of India Handloom Brand (IHB). This fair was organized by ACS Agenda Suria Communication, Malaysia during 9-17, June 2018.

Council booked total space of 99 sqm and had put up a central promotional stall at the fair. As per feedback received from the participants, 5000 visitors visited their stalls and business worth Rs.0.28 crore was generated during the fair.

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

3. India Home furnishing Fair / India Garment Fair, Osaka, Japan (18-20, July 2018)

Council participated with 8 participants in the 39th edition of India Garment Fair (IGF) and 29th edition of India Home Furnishings Fair (IHF), which were organized as concurrent twin events by India Trade Promotion Organization (ITPO) at Mydome, Osaka, (Japan) from July 18-20, 2018. ITPO for the first time organized 1st India Silk Fair (ISF) concurrently with the 39th IGF and 29th IHF.

Council has been participating in this event for more than a decade. For the current edition, Council had hired an area of 90 sq mtrs and had also put up a central promotion stall. As per the feedback received from the participants, 95 visitors visited their stalls, spot order worth Rs.0.79 crore and business enquiries worth Rs.3.0 crore were generated during the fair.

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

4. Sourcing at Magic, held at Las Vegas, USA (12th to 15th August 2018)

Council participated for the first time in Sourcing at Magic with 10 member exporters. The fair was held at Las Vegas Convention Center and was organized by Magic International during 12th to 15th August 2018. Council had also put up a central promotional stall in the fair.

Apart from HEPC during the current edition, Apparel Export Promotion Council (AEPC) and Council for Leather Exports (CLE) also participated in the event. As per feedback received from member participants, 123 business visitors visited their stalls, spot order to the tune of Rs. 0.69 crore and business enquiries worth of Rs. 8.97 crore were generated during the event.

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

5. Intertextile Shanghai Hometextiles- Autumn edition, Shanghai (27-30, August 2018)

Council organized participation in the 14th edition of Intertextile Shanghai Hometextiles- Autumn edition for the fourth consecutive year with 10 members. The fair was held at the National Exhibition and Convention Center – NECC, Shanghai, China and was jointly organized by Messe Frankfurt (Hk) Ltd & Beijing Hometex Expo Co Ltd during 27-30, August 2018.

Council hired total area of 108 m² and also put up a central promotion stall at the fair. As per feedback received from member participants, 274 buyers visited their booths, spot order worth Rs. 2.28 crore and business enquiries worth Rs.9.17 crore were generated at the event.

The event participation was organized with grant under National Handloom Development Program (NHDP) of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

6. Who's Next, Paris, (7-10, September 2018)

Council organised participation in WHO's NEXT (Spring / Summer edition) for the 9th time in succession since 2010. The event was held at Parc Des Expositions, Port De Versailles, Paris and was organized by WSN Developpement during 7-10th September 2018.

During the current edition, 21 exhibitors (20 exhibitors – subsidised category; 1 exhibitor-non-subsidised category) in an area of 216 sq mtrs (including central promotion stall) exhibited in this event under the aegis of Council. Shri.Raghvendra Singh, Secretary (Textiles), Govt of India visited the event and interacted with the participants.

As per feedback received from the exhibitors, 493 visitors had visited their stalls, spot order worth Rs.3.65 crore and business enquiries worth Rs.4.85 crore were generated during the event.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

7. India Trend Fair, Tokyo (19th -21st, September 2018)

Council organized participation of 20 exporters in the 4th edition of India Trend fair. The event was organized by Japan- India Industry Promotion Association (JIIPA) at Belle Salle Shibuya First, Shibuya, and Tokyo during 19-21 September, 2018

Council had put up a central promotion stall in the event, which also had the participation of 41 exporters of AEPC who displayed high Fashion garments, around 10 from EPCH & 6 direct participation by JIIPA. As per feedback received from participants, 367 visitors visited their stalls, spot order worth Rs.3.94 crore and business enquiries worth Rs.6.74 crore were generated during the fair.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

8. International Sourcing Expo (ISE), Melbourne, Australia (20-22nd, November 2018)

Council organized participation of 19 members in the International Sourcing Expo held during 20-22nd November 2018 at Melbourne Convention and Exhibition Center, Melbourne, Australia. The fair was organized by International Exhibition & Conference Group Pty Ltd. Council hired an area of 207 sq.m. besides putting up a Central Promotion stand.

Apart from HEPC's participation, Federation of Indian Export Organisations (FIEO) along with Apparel Export Promotion Council (AEPC) and Wool & Woollens Export Promotion Council (WWEPC) organized group participation in the event. FIEO led the delegation, with a large representation from India to this fair. As per feedback received from participants, there were 250 business visitors to their stalls, spot order worth Rs.0.94 crore and business enquiries worth Rs.3.63 crore were generated during the event. Shri. Rajesh Kumar Sahu, Addl. Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India visited the event.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

9. Heimtextil, Frankfurt, Germany (8th -11th, January 2019)

Heimtextil is the biggest international trade fair for home and contract textiles and the global benchmark for quality design textiles of innovative functionality. With its foremost global orientation, the event attracts visitors / exhibitors from all over the world. The event is organized by Messe Frankfurt. Council has been participating in this event for more than two decades.

Council had hired space of 1096 sq .mtrs and provided opportunity for 56 member exporters. The space was hired in hall 10.3 (720 sq .mtrs), hall 1.2 (346 sq .mtrs) and Hall 1.1 (30 sq .mtrs) accommodating 37 exhibitors in hall 10.3, 18 exhibitors in hall 1.2 and 1 exhibitor in hall 1.1 .

As a repeat of last year practice, Council offered both raw space (902 sq.mtrs) as well as standard booth (194 sq.mtrs) for our member participants. The exhibitors under HEPC were from all over the country representing all product ranges catering to hometextile segments. Nearly 364 exhibitors from India exhibited in this event including HEPC participants, direct participants, and participants through other organizations.

HEPC's pavilion was jointly inaugurated by Mrs. Pratibha Parkar, Consul General of India, Frankfurt, Dr. K.N. Prabhu, Chairman, HEPC, Dr.S.B. Deepak Kumar, Executive Director, HEPC & Shri Sanjay Sharan, Joint Secretary, Ministry of Textiles, Government of India. As per the feedback received from our exhibitors, spot orders worth of Rs.31.2 crores and business enquiries worth of Rs.69.1 crores were generated during the event.

Council organized participation in this event with grant under Market Access Initiative scheme of Ministry of Commerce & Industry, Government of India.

10. Domotex , Hannover (11-14, January 2019)

Council organized participation of 20 exporters in DOMOTEX 2019 held at Hannover, Germany during 11-14, January 2019. The event is organized by Deutsche Messe, Hannover/Germany. India as a dominant player in the carpet, rugs and floor coverings product segment had a participation of 329 exhibitors in total, which included participants under the aegis of HEPC (20 Nos), CEPC (162 Nos), Coir Board (15 Nos) and National Jute Board (3 Nos) and the rest as direct participants. Council had put up a central promotional stall at the event.

As per feedback received from member participants, 318 visitors had visited their stalls, spot order to the tune of Rs.4.99 crore and business enquiries to the extent of Rs.8.62 crore were generated at the event. Dr.S.B. Deepak Kumar IAS, Executive Director, HEPC visited the event.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

11. Who's Next Fair, Paris, (18-21, January 2019)

Council participated in the 25th anniversary edition of Who's Next Fair with 21 Member Exporters (20 exhibitors – subsidised category; 1 exhibitor-non-subsidised category) during 18-21, January 2019. The event was organized by WSN Developpement at Paris Expo Porte de Versailles Exhibition Centre in Paris. Council had put up a promotional booth at the event.

Council's participants were accommodated in the From section, Premiere Classe at Hall 3 and at Hall 4. As per feedback received from member exporters, 428 visitors had visited their stalls,

spot order secured were Rs. 3.71 crore and business enquiries generated were Rs. 3.42 crore through participation in the event.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

12. Ambiente, Frankfurt, Germany (8-12, February 2019)

Council participated for the first time in the recent years in Ambiente, Germany with 10 Member Exporters during 8-12, February 2019. The event was organized by Messe Frankfurt at Messe Frankfurt Exhibition GmbH in Germany. Council had put up a promotional booth at the event.

As per feedback received from member exporters, 374 visitors had visited their stalls, spot order to the tune of Rs.1.54 crore and business enquiries to an extent of Rs.4.94 crore were generated at the event.

The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

Exhibitions in India:

1. Indian Handicrafts & Gift Fair Delhi Fair (Autumn), Greater Noida, (14th -18th, October 2018)

Council organized participation of 13 member exporters in the 46th edition of IHGF Delhi Fair Autumn 2018 held at India Exposition Mart Limited from 14th to 18th October 2018. The fair was organized by Export Promotion Council for Handicrafts.

As per feedback received from participants, 176 business visitors had visited their stalls, spot order worth Rs.0.38 crore and business enquiries worth Rs. 5.25 crores were generated during the event. The event participation was organised with grant under National Handloom Development Program of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

2. India Textiles Sourcing Fair, Delhi (16-18th February 2019)

Having organized six successful editions of India International Hand-woven Fair in Chennai and Textiles India in Ahmedabad, HEPC organised "India Textiles Sourcing Fair" a Reverse Buyer Seller Meet (RBSM) of similar nature for the first time in Delhi coinciding with other important fairs around same time in Delhi and neighboring region. India Textiles Sourcing Fair (ITSF) was organized during 16th to 18th February 2019 at The Leela Ambience Convention Hotel, Delhi.

An inaugural session was held on 16-03-19 with lighting of lamp by dignitaries followed by welcome address by Dr. S.B. Deepak Kumar IAS, Executive Director, key note address by Dr. K.N. Prabhu, Chairman, HEPC and special address by Guest of honor Smt.Christine E Rai, Chairperson, Buying Agents Association. As a highlight of the inaugural event, a video message from Shri Suresh Prabhu, then Hon'ble Minister of Commerce & Industry and Civil Aviation was screened to the gathering which had the attendance of hosted buyers from 33 countries and exhibitors from all over India.

India Textiles Sourcing Fair provided an ideal platform for the display of the vast range of Indian Hand-woven textiles from all parts of the country, in product segments such as Table, Kitchen, Bed linen, Curtains & Cushions and other Made up, Rugs, Floor covering, Stoles, Scarves, Garments, Fabrics and accessories.

A total of 140 exhibitors participated in the event. Tamil Nadu (53 Nos), Haryana (24 Nos), Kerala (18 Nos) had major share of participants. The participants from other states included Uttar Pradesh, Karnataka, Maharashtra, West Bengal, Madhya Pradesh, Himachal Pradesh, Jharkhand, Jammu & Kashmir, Telangana, Manipur and Assam. The participants had displayed handloom products unique in technique, design and craftsmanship reflecting the diversity, depth and spirit of Indian Handlooms.

Apart from merchant exporters from important handloom export centres such as Karur, Panipat, Kannur etc, the event had the participation of cooperatives / clusters and few of these cooperatives had exposure in meeting international trade visitors for the first time. Some of the cooperatives / clusters who exhibited in the event included the following:

1. BRAWFED, Assam -Bodoland Regional Apex Weavers & Artisans Cooperative Federation Ltd
2. The West Bengal State Handloom Weavers' Co.op Soc Ltd, (Tantuja), Kolkata
3. M.S.Handlooms Corporation Ltd, Nagpur
4. J&K State Handloom Development Corporation Limited, Jammu
5. Nandai Handloom Cluster Development Society, West Bengal
6. Kashmir Silk Producers Co.op Ltd, Jammu & Kashmir
7. Manipur Awas, Manipur
8. NC Hills tribal Weaves Co.op Society ,Assam

The exhibitors under the aegis of following departments / institutions had also participated in the event.

1. Directorate of Handloom & Textiles, Govt. of Kerala (10 Nos)
2. National Bank for Agriculture & Rural Development (6 participants)
3. Silk Mark organisation of India (4 Nos)
4. Directorate of Handloom, Handicrafts & Sericulture, Tripura (2 Nos)

The event had the participation of 11 Nos. of India Handloom Brand registered holders from across the country which included participants like Himalayan Bodh Women's Galicha HL&HC - Kullu , Bhutti Weavers Co-operative Society Ltd, Kullu, GoCoop-Bengaluru, Five P Ventures-Erode, Diamond Silk Cooperative society-Varanasi, REHWA society-Maheshwar etc.

Live demo of computerized controlled handlooms for making cost effective sample swatches on short duration was also undertaken by one of the exhibitors. A live demonstration on weaving of Pashmina kani fabric from Kashmir was also undertaken by Jammu & Kashmir State Handloom Development Corporation Limited, Jammu.

HEPC for the first time partnered with Buying Agents Association of India in mobilizing the visit of Buyers. As the event was organized for the first time in Delhi, a curtain raiser event was held in Delhi on 02-02-2019 inviting the members of Buying Agents Association. Buyers from Vietnam, Russia, Ghana, Tajikistan had visited the event with an active coordination support from Indian Mission in these countries. A total of 109 overseas trade visitors from 33 countries visited the event. This included the visit of delegation of 13 buyers from Japan coordinated by Japan India Industry Promotion Association (JIIPA) in line with the objectives as envisaged in MoU signed between Handloom Export Promotion Council and JIIPA. Besides, about 50 buying agents visited the event and their visit was coordinated by Buying Agents Association. As per feedback from member exporters, ITSF 2019 fetched spot order of about Rs 0.86 crore and business enquiries of Rs.23.35 crore of enquiries.

Council organized participation in this event with grant under Market Access Initiative scheme of Ministry of Commerce & Industry, Government of India.

Other Special Promotional Events:

1. Indian Runway Show, New Delhi

A Memorandum of Understanding on cooperation in Textiles, Clothing & Fashion sector between Ministry of Textiles, Government of India & Department of Foreign Affairs and Trade, Government of Australia was signed during Textiles India, 2017 at Gandhinagar, Gujarat to facilitate cooperation in relation to matters within the textiles and fashion sector for mutual interest and benefit to the participants. According to the MoU, Australian designers have identified the Indian artisanal handloom fabrics during their visit, for conversion in to fashion garments and showcase on runway show at Fashion Weeks in India and Australia, to widen international markets for Indian Handloom.

HEPC has been entrusted the work to coordinate with High Commission of Australia in India and Ms. Caroline Poiner, curator appointed by the Government of Australia. Council has arranged Ikat Cotton Fabrics from Telangana, Banaras brocade & silk fabrics from Varanasi & Silk fabrics with embroidery from Fulia, West Bengal. In this endeavour the first Runway Show in India was held on 10th October 2018 during Lotus Make-up India Fashion Week during 10th to 14th October 2018 at Jawaharlal Nehru Stadium, New Delhi. The fashion show was held with garments

designed by Australian designers namely, Ms. Anna Plunkett & Luke Sales, Ms. Lizzie and Georgie Renkert, Cassandra Harper, & Ms. Roopa Pemmaraju on different moods, styles and fashion namely Romance was Born, We are Kindred, Cassandra Harper and Weavers of West Bengal Silks with Roopa respectively – created using Indian handloom fabrics.

The fashion show highlighted the collaboration between Indian handloom weavers and Textile Artisans with Australian Designers in bringing out contemporary garments in Indian handwoven fabrics developed under the project.

2. Buyer Seller Meet during Almora Festival 2018

Almora District Administration, Government of Uttarakhand organized a 3 day Almora Festival from 21-23 October 2018 to celebrate a rich legacy and culture of Almora and also to put the place a preferred destination for investment business. During Almora Festival a buyer seller meet was organized on 20th and 21st October 2018 at Uday Shankar Cultural Academy. The Handloom Export Promotion Council arranged participation of 5 member exporters to source handloom products directly from artisans of Uttarakhand in the Buyer-Seller-Meet. During Buyer Seller Meet 50 Artisans displayed their products such as Aipan (It is an art form used extensively to decorate floors and walls at the places of worship and entrances of homes), Bamboo Craft, Designer Shawls, Handloom Stoles, Scarves, Copper ware/handicrafts etc. The exporters interacted with Artisans of Handloom Shawls, Scarves Bamboo Craft in their stand. The exporters appreciated the work of artisans.

Shri J. Goburdhun, Hon'ble High Commissioner of Mauritius inaugurated Almora Festival on 20.10.18

The participation was organized under NHDP scheme of Office of the Development Commissioner for Handlooms, Ministry of Textiles.

3. Umbrella Exhibition in London

High Commission of India in London hosted an exhibition of handloom products from three states of India showcasing world class woollen wear and designs, which are unique to those states. The exhibition was held at The Nehru Centre on 2nd November 2018, in collaboration with the State Bank of India, Air India and Confederation of Indian Industries, London chapter.

The rich cultural handloom heritage of India was displayed through products made from local Indian wool by Looms of Ladakh Women's Co-operative, Bhuttico weavers' cooperative and Uttarakhand Handloom and Handicraft Development Council, aiming to demonstrate the potential of Indian handloom industries to come together as an international luxury label and prepare a platform for further course of action. The creations of artisans were also displayed through Wool Spell Fashion Show, as a part of the Handloom Exhibition, with the aim to inspire sustainable creations, making them visible on the national and global map.

The delegation also visited a leading fashion house and held B2B meetings with stakeholders. Along with the artistry of weavers, the Indian handloom industry demonstrates the richness and diversity of Indian culture. With over 4.3 million people directly and indirectly involved in the production, the handloom industry is the second-largest employment provider for the rural population in India after agriculture. The objective of the exhibition was to showcase world class creations to promote Indian textile and handloom industries in the UK and introduce the artisans to the challenges and possibilities in the international market.

The exposure trip of the designer and the artisans to London with their products display in the Umbrella Exhibition in London was organised in coordination with O/o Deputy Commissioner, Reasi, Govt. of Jammu & Kashmir with financial grant under National Handloom Development Programme from O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

4. Seminar on Heimtextil 2019 color trends at Karur

As one of the export promotion activities through dissemination of market trend information to member exporters, Council organised a seminar on “Heimtextil 2019 color trends and Visual Merchandising” at Karur on 04-10-18. The event was organised by Council to help the member exporters in preparing their products and its display during fair participation and upcoming Heimtextil 2019 edition in particular.

Dr. K.N. Prabhu , Chairman presided the seminar programme Dr. S.B. Deepak Kumar, IAS, Executive Director, Shri. M. Nachimuthu, President, The Karur Textile Manufacturer Exporters Association addressed the gathering.

Dr. Kaustav Sengupta, Associate Professor, National Institute of Fashion Technology, Chennai made a presentation on Heimtextil 2019 color trend forecast. Dr.M.Vasantha, Associate Professor, National Institute of Fashion Technology, Chennai in her presentation to the gathering stressed the importance of Visual Merchandising in presenting the products in the stall.

The seminar programme ended with vote of thanks by Shri. T.V. Chandrasekaran, Vice Chairman of the Council.

5. Seminar on Heimtextil 2019 color Trends, Panipat

Handloom Export Promotion Council (HEPC) in association with Panipat Exporters Association and Handloom Exports Manufacturers Association, Panipat has organized a Seminar on 01.12.18 at Hotel Gold, Panipat on “Color Trends 2019, Visual Merchandising and India Textiles Sourcing Fair 2019” to sensitize the Handloom industry about the colour forecast for the forthcoming Autumn & Winter seasons and to promote India Textiles Sourcing Fair (ITSF) to be held in New Delhi from 16th to 18th February 2019.

The Seminar was chaired by Dr. S.B. Deepak Kumar IAS, Executive Director, HEPC.

Ms. Savita Sheoran Rana, Assoc. Professor, NIFT, New Delhi made a power point presentation on “Color Trends 2019 and Visual Merchandising”.

Shri Ramesh Verma, Executive Committee Member and President, Handloom Exports Manufacturers Association delivered the Vote of thanks.

6. Indian Textile Exhibition, Melbourne, Australia

As one of the activities envisaged in the MoU signed between Ministry of Textiles, Govt. of India and Department of Foreign Affairs, Govt. of Australia, Indian Textile Exhibition was held during 4th - 29th March 2019 at LCI Melbourne's Collingwood Campus, alongside of Virgin Australia Melbourne Fashion Festival.

The exhibition first of its kind where a comprehensive display of stunning Indian textiles alongside photography, video, live demonstrations and collections of the regional techniques which highlights the cultural significance was organised. Garments produced by the Australian Designers from Indian Handlooms Fabrics procured under this project were displayed in the exhibition. Further, the fabric swatches procured from M/s. Craft museum, M/s. Weaves, etc., Hanks & other displays of naturally dyed yarn were placed in the exhibition.

It demonstrated the richness and diversity of India's textiles with a focus on biodiversity and craftsmanship and the context of hand-loom in the sustainable lifestyle and fashion industries.

In the exhibition area, publicity materials viz. Posters, brochures, catalogues, pull banners, introductory text for the exhibition were also displayed in the name of “Threads of India”.

Dr. S.B. Deepak Kumar, IAS, Executive Director, HEPC attended the exhibition on behalf of the Council. The event was organised with financial grant under National Handloom Development Programme of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

Domestic Events

1. Council participated in National Handloom Expo “Hand Tex” held during 15th – 30th December 2018 organised by Co-optex to disseminate information on “opportunities and benefits available for handloom export”.
2. Council participated in Mon International Trade Fair, Mon District, Nagaland from 07.01.2019 to 09.01.2019 along with Trade Facilitation Officer at Guwahati to disseminate information on “Opportunities and benefits available for handloom exporters”.
3. Council participated in Tamilnadu Global Investors Meet 2019 held during 23-24 January 2019 at Chennai Trade Centre.
4. Council participated in Global Textile expo held at Codissia Trade Fair complex, Coimbatore from 27.01.2019 to 29.01.2019 to disseminate information on “opportunities and benefits available for handloom exporters” and the event was organised by Directorate of Handlooms and Textiles, Govt. of Tamilnadu.

Prize Award for best export performance

Council with the support of Ministry of Textiles, Govt. of India has conferred awards to member exporters for best export performance of Handloom Products for 10 different categories for the financial years 2014-15 & 2015-16 during 28th Handloom Export Award function held at Hotel Leela Palace, Chennai on July 6th 2018. Smt.Smriti Zubin Irani, Hon'ble Union Minister of Textiles, Shri. O.S. Manian, Minister for Handlooms & Textiles, Govt. of Tamil Nadu graced the occasion and presented awards to the award winners.

Meetings

1. Joint Director & Consultant, R.O attended the meeting on 05.04.18 under the Chairmanship of Secretary (Textiles) in connection with impact of WTO regulation on India's Textile Exports.
2. Consultant, R.O attended the meeting under the Chairmanship of Shri Shyamal Misra, Joint Secretary, MOC&I to discuss on different dimensions of studies relating to trade, investment and services in LAC region on 20.04.18
3. Consultant, R.O attended the meeting on 27.04.18 under the Chairmanship of Shri Deepak Kumar, IAS, Executive Director, ITPO to discuss China International Import Exposition (CIIE) during November 5-10, 2018.
4. Consultant, HEPC, Regional Office attended the meeting under the Chairmanship of SS&FA for finalization of Textiles India 2017 account on 08.05.18.
5. Consultant HEPC, Regional Office attended the meeting on Australian Proposals under the Chairmanship of Development Commissioner for Handlooms on 09.05.18.
6. Chairman, Joint Director & Consultant attended the meeting under the Chairmanship of HMoT on "SAMARTH" Project on 14.05.18.
7. Shri Lalit Goel, Shri Gagan Rai, EC Members, HEPC & Consultant attended the meeting under the Chairmanship of Hon'ble Finance Minister & Hon'ble Minister of Textiles discuss the issues pertaining to textiles sector on 27.05.18.
8. Dr K N Prabhu, Chairman, HEPC along with Joint Director, HEPC met Ministry officials and discussed on the proposed calendar of events for 2018-19 on 08.06.2018. Also, discussions were held with Chairmen of other Councils on Texpo Centre project.
9. Shri Gagan Rai, EC Member, HEPC & Shri R.P. Rajalingam, Consultant attended the meeting on 19.06.18 under chairmanship of Secretary (Textiles) on
 - (i) Fixation of export targets for the year 2018-19 and
 - (ii) Formulation of strategy for enabling small traders to export textiles in countries, which at present may not be significant importers from India.
10. North East Helpdesk officials attended the Open House Meet with Ms. Rita Teotia, IAS, Commerce Secretary, Govt. of India on June 28,2018 at Taj Vivanta, Guwahati.
11. Consultant, R.O Delhi attend the meeting under the Chairmanship of JS(HRD) to prepare way forward/ road map of design studio on 05.07.18.
12. Chairman, EC members and Joint Director attended DBK Committee meeting held on 20.07.18 at Chennai.

13. Joint Director attended the meeting organised by O/o. Textiles Committee, Chennai on IPR protection through Geographical Indications (GI) Act 1999 on 31.07.18.
14. Deputy Director attended the meeting under the Chairmanship of Development Commissioner (MSME) on sectoral action plan for boosting exports of MSMEs on 31.07.18
15. Executive Director attended the meeting under the Chairmanship of Secretary (Textiles) on NERTPS proposal on 9.08.18
16. Executive Director attended the meeting for Promotion of Geographical Indication (GIs) under the Chairmanship of Hon'ble Minister of Commerce & Industry on 14.08.18
17. Joint Director & Consultant, R.O attended the meeting on Study on Rationalization of EPCs on 20.08.18.
18. Consultant, R.O attended the meeting under the Chairmanship of Hon'ble CIM regarding strategy to boost exports and other trade related issue on 27.08.18.
19. Executive Director attended the meeting under the Chairmanship of Director (Logistic) on National Logistic Portal on 05.09.18.
20. Joint Director attended the meeting organised by the Committee of Government Assurance under the chairmanship of Shri A.Navaneethakrishnan, M.P on bailing out knitwear sector from financial stress and special package for knitwear industry on 05.09.18.
21. Executive Director attended the meeting under the Chairmanship of DCHL on IHB on 06.09.18.
22. Executive attended the meeting under the Chairmanship of JS(E&MDA), DoC to discuss export strategy for ASEAN for 5-7 years on 07.09.18.
23. Deputy Director attended State level project Committee organised by O/o Director of Handlooms and Textiles on 18.09.18.
24. Executive attended workshop on National Logistic Portal with an objective to improve the efficiency of logistics in the country on 19.09.18.
25. Senior Executive attended meeting under chairmanship of Zonal Addl. DGFT, Chennai to discuss issues on boosting of exports which could be taken up with Tamilnadu Government on 19.09.18.
26. Consultant & Executive attended the meeting on improvement of logistic facilities and enhancing of export of services between India and the LAC region on 3.10.18.

27. Chairman met Secretary (Textiles) along with other EPC's Chairmen & officials on Setting up of Texpo Centre at Noida on 31.10.18.
28. Executive Director and Trade Facilitation officer had attended MSME support and outreach programme in Kamrup (R) District, Assam on 02.11.18.
29. Joint Director attended MSME support and outreach programme in Nadia District, West Bengal on 02.11.18.
30. Assistant Director attended MSME support and outreach programme in Bargarh District, Odisha on 02.11.18.
31. Assistant Director attended MSME support and outreach programme in Panipat, Haryana on 02.11.18.
32. Consultant attended MSME support and outreach programme in Gaya, Bihar & made power point presentation on Government schemes & HEPC activities on 02.11.18.
33. Senior Executive attended MSME support and outreach programme in Papumpare, Arunachal Pradesh on 02.11.18.
34. Executive attended MSME support and outreach programme in Murshidabad, West Bengal on 02.11.18.
35. Joint Director attended the interaction meeting with commercial representatives from various countries organized by Foreign Service Institute (FSI) under MoEA on 12.11.18.
36. Joint Director & Consultant attended the meeting with Deputy Secretary (EPTEx) regarding MAI proposal 2019-20 on 13.11.18.
37. Assistant Director attended review meeting in Sonipat under the chairmanship of Dy. Commissioner, Sonipat on 13.11.18.
38. Trade Facilitation Officer attended Meeting YUPIA DC office's, Arunachal Pradesh of MSEM Outreach Program on 03/012/2018 & MSME Camp in Naharlagun Model Village, Papumpare District, Arunachal Pradesh on 04.12.18.
39. Executive attended the MSME Outreach & Niryat Bandhu program at Mirzapur, Raghunathganj, Murshidabad organised by O/o. Jt. DGFT, Kolkata & O/o. Assistant Commissioner, GST, Berhampur on 12.12.18.
40. Consultant & Executive attended the BBA Summit of Buying Agent Association to invite Buyers of Buying Agents to ITSF, 2019, New Delhi on 15.12.18.

41. Chairman & Consultant attended the meeting with office bearers of Buying Agent Association regarding mobilizing buyers of Buying Agents in ITSF, 2019, New Delhi on 17.02.18.
42. Chairman & Consultant met HMoT & HMoST to invite them to attend/inaugurate Heimtextil 2019 & ITSF 2019 on 18.12.18.
43. Trade Facilitation Officer attended SARAS FAIR in Sixmile, Guwahati on 24.12.18
44. Assistant Director attended district level exhibition organized by Weavers Service Centre, Panipat from 24th to 31st December 2018 on 24.12.18.
45. Executive Director / Joint Director under the chairmanship of Shri Rajneesh, Joint Secretary, Department of Commerce to consider and finalizing MAI proposals for 2019-20 on 27.12.18.
46. Executive Director / Joint Director under the chairmanship of Shri Rajneesh, Joint Secretary, Department of Commerce to consider MAI proposals for 2019-20 on 28.12.18.
47. Consultant attended the MSME Outreach program at Vill – Jamune Bhagwan Pur, Gaya organised by LDM, Gaya District on 28.12.18.
48. Joint Director attended Mon International Trade Fair, Mon District, Nagaland from 07.01.2019 to 09.01.2019 along with Trade Facilitation officer at Guwahati.
49. Joint Director attended MSME support and outreach programme in Nabadwip at Nadia District on 11.01.2019
50. Assistant Director attended Hastkala Sahyog Shivir at Panipat which was organised by WSC, Panipat on 12.01.2019
51. Senior Executive attended Hastkala Sahyog Shivir at Urjanagar, mela Ground, Mahagama, Dist.Godda, Jharkhand and it was organised by WSC, Ranchi on 19.01.2019.
52. Executive Director attended the meeting with Secretary Textiles on GI Registration on 24.01.2019.
53. Executive Director attended the meeting with DCH on MSME support and outreach under the chairmanship of DCHL on 24.01.2019.
54. Executive Director attended the meeting with DCH on MSME support and outreach under the chairmanship of HMoT on 25.01.2019.
55. Joint Director attended Global Textile expo held at Codissia Trade Fair complex, Coimbatore from 27.01.2019 to 29.01.2019 along with Senior Executive. The event was organised by Directorate of Handlooms and Textiles, Govt. of Tamilnadu.

56. Trade Facilitation officer attended the Daylong Event of MSME support and outreach program, organized by WSC, Guwahati on 9th February at Mirza, Kamrup, Assam.
57. Executive Director signed 7 MoU's during National Conclave on Creating Synergy for MSMEs in Textile Sector on 13.02.2019.
58. Consultant attended meeting on view of slowing down of growth of exports in various sectors on 14.02.2019.
59. Executive attended the meeting on Online RCMC on 14.02.19.
60. Trade Facilitation officer attended the Interactive Session with Shri Anup Wadhawan, Secretary, Ministry of Commerce & Industry, Govt. of India at Hotel Novotel, Guwahati, Assam on 20.02.19.
61. Joint Director attended the meeting on engaging personnel for the market development cell in the office of the Commissioner of Handlooms and Textiles, Tamilnadu on 21.02.2019
62. Executive Director attended meeting on study visit of the Committee on papers laid on the Rajya Sabha at Chennai. Joint Director, Assistant Director and Senior Executive were present in the meeting on 24.02.2019.
63. Executive Director attended the EC meeting under the chairmanship of Secretary (Commerce), Department of Commerce to consider MAI proposal for the year 2019 – 2020 on 28.02.19.
64. Joint Director visited Coimbatore centre for membership mobilization on 28.02.2019.
65. Joint Director attended state textile advisory committee meeting under the chairmanship of Minister of Handloom and Textiles, Tamilnadu on 05.03.19.
66. Joint Director attended outreach programme organised by FIEO in coordination with customs department at Chennai on 06.03.19.
67. Joint Director attended the meeting on Handloom & Khadi Standard organized by BIS on 07.03.19.
68. Joint Director attended meeting organized by O/o DGFT, Chennai to discuss RCEP negotiations on 13.03.19
69. Executive Director attended the briefing meeting of General Observer organized by Election Commission of India on 26.03.19.
70. Executive attended the meeting under the Chairmanship of JS (NAFTA), DoC to discuss the impact of GSP withdrawal by the U.S on 27.03.19

INDEPENDENT AUDITOR'S REPORT

To the Members of Handloom Export Promotion Council

Opinion

We have audited the Financial Statements of Handloom Export Promotion Council ("**the Company**") which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss for the year then ended and other explanatory information.

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 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 31 March 2019 and its Income over Expenditure for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements 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 opinion.

Management's Responsibilities for the Financial Statements

The Company's board of directors are 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 Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- 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 Company'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 Company 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.
- 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.

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and 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 COA as on March 31, 2019 taken on record by the COA, none of the member of COA is disqualified as on March 31, 2019 from being appointed as a member of COA in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- 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.

For R. Gopalakrishnan & Co
Chartered Accountants
Firm ICAI Regn No.000972S

G. Ananthan
Chartered Accountant
Partner M No.021916

Place: Chennai
Date: 21.08.2019

“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, 2019 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 authorizations of management and COA of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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.

For R. Gopalakrishnan & Co
Chartered Accountants
Firm ICAI Regn No.000972S

G. Ananthan
Chartered Accountant
Partner M No.021916

Place: Chennai
Date: 21.08.2019

HANDLOOM EXPORT PROMOTION COUNCIL
PART I - BALANCE SHEET AS AT 31ST MARCH 2019

S. No.	PARTICULARS	NOTE NO.	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
I	EQUITY AND LIABILITIES			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) RESERVES AND SURPLUS	A	1261,16,030	1052,24,893
	(b) MONEY REC. AGST. SHARE WARRANTS		NIL	NIL
	TOTAL(1)		1261,16,030	1052,24,893
2	<u>NON-CURRENT LIABILITIES</u>	B		
	(a) OTHER LONG-TERM LIABILITIES		17,22,268	17,22,268
	TOTAL(2)		17,22,268	17,22,268
3	<u>CURRENT LIABILITIES</u>			
	(a) TRADE PAYABLES	C	87,45,996	194,89,534
	(b) OTHER CURRENT LIABILITIES	D	250,56,841	187,46,698
	(c) SHORT TERM PROVISIONS	E	59,68,193	64,50,065
	TOTAL(3)		397,71,030	446,86,297
	TOTAL(1+2+3)		1676,09,328	1516,33,457
II	ASSETS			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS	F		
	(i) TANGIBLE ASSETS		464,73,971	503,02,103
	(ii) INTANGIBLE ASSETS		NIL	NIL
	(iii) CAPITAL WORK-IN-PROGRESS		NIL	NIL
	(iv) INTANGIBLE ASSETS UNDER DEV.		NIL	NIL
	(b) NON-CURRENT INVESTMENTS		NIL	NIL
	(c) DEFERRED TAX ASSETS (NET)		NIL	NIL
	(d) LONG-TERM LOANS AND ADVANCES	G	6,62,267	6,62,267
	(e) OTHER NON-CURRENT ASSETS		NIL	NIL
	TOTAL(1)		471,36,238	509,64,370

HANDLOOM EXPORT PROMOTION COUNCIL
PART I - BALANCE SHEET AS AT 31ST MARCH 2019

S. No.	PARTICULARS	NOTE NO.	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
2	<u>CURRENT ASSETS</u>			
	(a) INVENTORIES	H	-	3,95,377
	(b) TRADE RECEIVABLES		NIL	NIL
	(c) CASH AND CASH EQUIVALENTS	I	327,76,774	377,13,342
	(d) SHORT-TERM LOANS AND ADVANCES	J	144,47,619	169,69,987
	(e) OTHER CURRENT ASSETS	K	732,48,696	455,90,381
	TOTAL(2)		1204,73,090	1006,69,088
	TOTAL(1+2)		1676,09,328	1516,33,457

The accompanying notes are integral part of the financial statements

As per our report of even date

For R. Gopalakirshnan & 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 : 21.08.2019

HANDLOOM EXPORT PROMOTION COUNCILNOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2019

NOTE NO.	S. No.	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
A	1	<u>RESERVE & SURPLUS:</u>		
		<u>OTHER RESERVES</u>		
		OPENING BALANCE	1052,24,894	1088,68,165
		ADDITIONS DURING THE YEAR	208,91,136	(36,43,271)
		UTILIZATIONS DURING THE YEAR	-	-
			1261,16,030	1052,24,893
		Notes: No Reserve specifically earmarked for investments		
B		<u>OTHER LONG-TERM LIABILITIES:</u>		
		HEZ- THIRUVANNAMALAI	11,56,716	11,56,716
		DUE TO GOVT-SPECIAL ASSISTANCE FOR EXPORTS	5,65,552	5,65,552
			17,22,268	17,22,268
C		<u>TRADE PAYABLES</u>		
		SUNDRY CREDITORS	87,45,996	194,89,534
			87,45,996	194,89,534
D		<u>OTHER CURRENT LIABILITIES</u>		
	1	TDS PAYABLE	1,62,881	8,71,281
	2	INCOME RECEIVED IN ADVANCE		
		-MEMBERSHIP FEES	31,56,000	14,20,000
		-PARTICIPATION FEES	117,89,423	105,05,000
		-GRANT PAYABLE	-	49,28,844
		-GRANT PAYABLE TO EXPORTERS	91,72,681	4,00,000
	3	SECURITY DEPOSIT	7,27,733	6,21,573
	4	PREPAID INCOME	48,123	-
			250,56,841	187,46,698

NOTE NO.	S. No.	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
E		SHORT-TERM PROVISIONS		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	59,68,193	64,50,065
			59,68,193	64,50,065
F	(a)	FIXED ASSETS	464,73,971	503,02,103
			464,73,971	503,02,103
G	a	LONG TERM LOANS AND ADVANCES:		
		SECURITY DEPOSITS	6,62,267	6,62,267
			6,62,267	6,62,267
H	a	OTHER NON-CURRENT ASSETS	NIL	NIL
		INVENTORIES:		
	(b)	OTHERS;(STOCK OF BOOKS)	-	3,95,377
			-	3,95,377
I	a	CASH & CASH EQUIVALENTS :		
		(a) BALANCE WITH BANKS		
		<u>IN FIXED DEPOSITS</u>		
		EARMARKED BALANCES WITH BANKS HELD AS MARGIN MONEY AGAINST BORROWINGS,	5,65,552	5,65,552
		AND OTHER COMMITMENTS.	NIL	NIL
		MATURITY WITH MORE THAN 12 MONTHS	NIL	NIL
		OTHERS- FIXED DEPOSITS	228,23,439	203,23,439
		<u>IN CURRENT ACCOUNTS:</u>	38,59,137	69,22,198
		SAVINGS ACCOUNTS	55,22,190	99,00,396
		(b) CASH ON HAND	6,456	1,757
	FUNDS IN TRANSIT	-		
		327,76,774	377,13,342	

NOTE NO.	S. No.	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
J	α	SHORT TERM LOANS & ADVANCES:		
		(1) ADVANCE TO PARTIES	32,71,190	15,51,995
		(2) RECIEVABLE FROM REVENUE AUTHORITIES	95,50,258	79,76,647
		(3) PRE DEPOSIT - SERVICE TAX APPEAL	15,87,722	15,87,722
		(4) RECEIVABLE	38,450	58,53,623
		144,47,619	169,69,987	
K	α	OTHER CURRENT ASSETS:		
		GRANT RECEIVABLE - FAIR PARTICIPATION	716,25,945	410,36,384
		INTEREST ACCRUED ON INVESTMENTS	16,22,751	13,08,327
		PREPAID EXPENSES	-	32,45,670
		732,48,696	455,90,381	

HANDLOOM EXPORT PROMOTION COUNCILNOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2019

NOTE NO.	S. No.	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
L		CONTINGENT LIABILITIES AND COMMITMENTS		
		(TO THE EXTENT NOT PROVIDED FOR)	1331,15,245	1331,15,245
	i	<u>CONTINGENT LIABILITIES</u>		
		(a) CLAIM AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS;	NIL	NIL
		(b) GUARANTEES;	NIL	NIL
		(C) OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE.		
	ii	<u>COMMITMENTS</u>		
		(a) ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR;	NIL	NIL
		(b) UNCALLED LIABILITY ON SHARES AND OTHER INVESTMENTS PARTLY PAID;	NIL	NIL
		(c) OTHER COMMITMENTS	NIL	NIL
M		THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD		
		AMOUNT PER EQUITY SHARE	NA	NA
N		ISSUE OF SECURITIES FOR SPECIFIC PURPOSE	NA	NA

NOTE NO.	S. No.	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
○		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. Gopalakirshnan & 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 : 21.08.2019

SCHEDULE FOR FIXED ASSETS FOR THE FINANCIAL YEAR 2018-19

	Useful life	Rate	Net Block				Depreciation				Net Block	
			As at	Additions	Deletion	As at	for the year	Additions	Deletions	Depn upto	As at	As at
Particulars			01.04.2018	for the year		31.03.2019	for the year	Additions	Deletions	31.03.2019	31.03.2019	31.03.2018
Land	0		29,80,144	-	-	29,80,144	-	-	-	-	29,80,144	29,80,144
Fax	5	45.07	432			432	195			195	237	432
Furniture	10	25.89	1,673,461			1,673,461	4,33,259			4,33,259	12,40,202	1,673,461
Stabiliser	10	25.89	726			726	188			188	538	726
Airconditioner	15	13.91	11,98,381			11,98,381	1,66,695			1,66,695	10,31,686	11,98,381
Computer	3	63.16	2,47,161	1,60,900		4,08,061	1,56,107	64,037		2,20,144	1,87,917	2,47,161
Cell Phone	3	63.16	14,848	47,496		62,344	9,378	7,237		16,615	45,729	14,848
Fan	10	25.89	6,760			6,760	1,750			1,750	5,010	6,760
Office Equipments	5	45.07	4,32,583	1,90,333		6,22,916	1,94,965	21,926		2,16,891	4,06,025	4,32,583
Generator	15	13.91	5,81,503			5,81,503	80,887			80,887	5,00,616	5,81,503
Motor Car	8	31.23	1,48,199	14,20,172		15,68,371	46,283	2,11,431		2,57,714	13,10,657	1,48,199
20 Kva Ups	5	45.07	47,155			47,155	21,253			21,253	25,902	47,155
M V Panel	5	45.07	53,585			53,585	24,151			24,151	29,434	53,585
Electrical Equipments	10	25.89	7,15,211			7,15,211	1,85,168			1,85,168	5,30,043	7,15,211
Building	30	9.5	421,77,806			421,77,806	40,06,892			40,06,892	381,70,914	421,77,806
Computerisation	3	63.16	24,113			24,113	15,230			15,230	8,883	24,113
Total			50302069.02	1 818901.00	0.00	52120970.02	5342401.00	304632.41	0.00	5647033.41	46473936.61	50302069.02
Assets carried at Residual Value												
	Remaining Usefulife	Rate	Net Block				Depreciation				Net Block	
			As at	Additions	Deletion	As at	for the year	Additions	Deletions	Depn upto	As at	As at
Particulars			01.04.2018	for the year		31.03.2019	for the year	Additions	Deletions	31.03.2019	31.03.2019	31.03.2018
Weighing Machine												
(at Residual Value)			35.00	-	-	35.00	-	-	-	-	35.00	35.00
Total			35.00	0.00	0.00	35.00	0.00	0.00	0.00	0.00	35.00	35.00

PART II - STATEMENT OF INCOME AND EXPENDITURE
HANDLOOM EXPORT PROMOTION COUNCIL
 INCOME AND EXPENDITURE STATEMENT AS AT 31ST MARCH 2019

S. No.	PARTICULARS	NOTE NO.	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
	<u>REVENUE FROM OPERATIONS</u>			
I	REVENUE FROM OPERATIONS	1	868,62,816	823,27,781
II	OTHER INCOME	2	111,17,235	164,42,472
III	TOTAL REVENUE(I+II)		979,80,052	987,70,253
IV	<u>EXPENSES:</u>			
a	EMPLOYEE BENEFITS EXPENSES	3	203,77,124	206,38,731
b	FINANCE COSTS	4	20,423	1,03,349
c	DEPRECIATION AND AMORTIZATION EXPENSE	5	56,47,033	64,30,253
d	OTHER EXPENSES	6	510,44,335	752,41,192
	TOTAL EXPENSES		770,88,916	1024,13,525
V	INCOME OVER EXPENDITURE	7	208,91,136	(36,43,271)
			208,91,136	(36,43,271)

For R. Gopalakirshnan & Co.

Firm Regn.NO: 000972S

Chartered Accountants

FOR HANDLOOM EXPORT PROMOTION COUNCIL

sd/-

G. ANANTHAN

Partner

Membership No: 021916

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(S. B. DEEPAK KUMAR)
EXECUTIVE DIRECTOR

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(K. N. PRABHU)
CHAIRMAN

sd/-

(T.V. CHANDRASEKARAN)
VICE CHAIRMAN

PLACE : CHENNAI

DATED : 21.08.2019

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH 2019

NOTE NO.	PARTICULARS	(IN RUPEES)	
		FIGURES FOR THE CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
1	a <u>REVENUE FROM OPERATIONS</u>		
	-MEMBERSHIP FEES	98,83,000	99,62,400
	-PARTICIPATION FEES	682,07,135	655,78,367
	GRANT TO EXPORTERS		
	-NHDP SCHEMES	68,92,396	45,37,014
	-MAI SCHEMES	18,80,285	22,50,000
	NET REVENUE FROM OPERATIONS	868,62,816	823,27,781
2	b <u>OTHER INCOME</u>		
	<u>INTEREST INCOME ON</u>		
	FIXED DEPOSITS	19,26,706	19,42,733
	SAVING BANK ACCOUNTS	5,40,596	5,62,075
	OTHER NON OPERATING INCOME	29,55,958	85,77,596
	RENT	56,93,976	53,60,068
	-		
		111,17,235	164,42,472
	Notes; Other Non Operating Income includes a. Amenity & Maintenance-Rs.471792 b. Service charges-Rs.179266 c. Advertisement charges - Rs.137500 d. NABARD sponsorship -Rs.407950 e. Input of previous year availed in current year- Rs.1344000/-		
3	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	<u>SALARY AND WAGES</u>		
	OFFICE STAFF SALARY	176,33,389	169,08,544
	DIRECTOR REMUNERATION	NIL	NIL
	<u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u>		

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED AS AT 31ST MARCH 2019

NOTE NO.	PARTICULARS	(IN RUPEES)	
		FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2019	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2018
4	CONTRIBUTION TO PROVIDENT FUND	15,84,306	24,33,096
	CONTRIBUTION TO EMPLOYEES STATE INS. FUND	NIL	NIL
	CONTRIBUTION TO OTHER FUNDS-GRATUITY	6,69,269	8,35,321
	<u>OTHER EXPENSES</u>		
	WORKERS AND STAFF WELFARE BONUS	86,160	1,23,937
		4,04,000	3,37,833
		203,77,124	206,38,731
	<u>FINANCIAL COSTS:</u>		
	a <u>INTEREST EXPENSE</u>		
	BANK CHARGES	20,423	1,03,349
	INTEREST TO PARTIES/ DISTRIBUTORS(NET)	NIL	NIL
	INTEREST TO DEPOSITORS	NIL	NIL
	INTEREST TO BANK ON VEHICLE LOAN	NIL	NIL
	INTEREST 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	
	20,423	1,03,349	
5	<u>DEPRECIATION AND AMORTIZATION EXPENSES:</u>		
DEPRECIATION	56,47,033	64,30,253	
ADDITIONAL DEPRECIATION	56,47,033	64,30,253	
	56,47,033	64,30,253	

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED AS AT 31ST MARCH 2019

NOTE NO.	PARTICULARS	(IN RUPEES)			
		FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2019		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2018	
6	OTHER EXPENSES:				
A	ADMINISTRATIVE EXPENSE				
	CAR EXPENSES		3,23,318		2,76,776
	FESTIVAL CELEBRATION EXPENSES		9,287		23,000
	SUBSCRIPTION/MEMBERSHIP FEES		17,250		7,188
	ELECTRICITY EXPENSES (OFFICE)		6,41,967		5,86,242
	ENTERTAINMENT EXP.		1,41,163		2,07,828
	RATES & TAXES, OTHER FEES,INSURANCE		11,85,770		12,60,058
	GENERAL EXPENSES & INTEREST		11,71,126		5,74,212
	LEGAL EXPENSES		60,000		59,600
	NEWS PAPER & PERIODICALS		14,381		18,520
	PAYMENT TO THE AUDITORS		60,000		82,600
	POSTAGE & COURIER EXP.		4,31,246		5,20,911
	PRINTING & STATIONERY		5,78,989		7,17,074
	REPAIR TO BUILDINGS & MAINTENANCE		7,53,497		4,88,736
	NHDP SCHEMES- EXHIBITIONS & OTHER PROJECTS	750,69,883		518,91,027	
	LESS: GRANT UTILIZED -EXHIBITIONS	608,01,335	142,68,548	463,45,182	55,45,845
	LESS: GRANT UTILIZED- PROJECTS -				
	MAI SCHEMES- EXHIBITIONS	435,45,764		410,57,979	
	LESS; GRANT UTILIZED -EXHIBITIONS	256,51,228	178,94,536	197,96,481	212,61,498
	MAI SCHEMES -				
	TEXTILE INDIA EXHIBITION		-	181,76,216	
	LESS: GRANT UTILIZED- EXHIBITIONS		-	42,86,071	138,90,145
	OTHER FAIRS - SELF SUSTAINED BASIS		-		100,17,156
	LIAISON OFFICE		1,57,496		64,916
	VRS		-		5,00,000
	ROAD SHOW		-		6,06,557
	IHGF (SPRING)		-		10,99,790
	-MAI EXPORTER GRANT		18,80,285		22,50,000

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED AS AT 31ST MARCH 2019

NOTE NO.	PARTICULARS	(IN RUPEES)	
		FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2019	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2018
	-TRAVEL GRANT TO EXPORTERS	68,92,396	45,37,014
	REPAIR & MAINTENANCE (GENERAL)- AMC	4,18,950	6,30,551
	TELEPHONE EXP.	2,55,869	3,67,070
	CONFERENCE EXPENSES & TA to COMMITTEE MEMBERS	8,27,560	8,79,457
	TRAVELLING EXPENSES TA to OFFICERS STAFF	15,04,656	9,43,395
	HONORARIUM & SALARY TO CONTINGENT STAFF	12,74,667	16,12,753
	SHORT PAYMENT IN GRANTS	55,421	23,47,752
	RENT RO OFFICE	44,000	-
	ADVERTISEMENT CHARGES	33,059	-
	IIHF 2017 - CANCELLATION	-	3,37,110
	INTEREST FOR REFUND OF GRANT FICCI	-	4,89,801
	PRIOR PERIOD EXPENSES	1,48,899	30,34,704
		510,44,335	752,41,192
	<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
		NIL	NIL
	GRAND TOTAL	510,44,335	752,41,192

HANDLOOM EXPORT PROMOTION COUNCIL

ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF
INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2019

NOTE NO.	PARTICULARS	(IN RUPEES)	
		FIGURES FOR THE CURRENT REPORTING PERIOD 31 ST MARCH 2019	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31 ST MARCH 2018
a	PAYMENT TO THE AUDITORS AS AUDITOR		
	FOR TAXATION MATTERS	40,000	47,200
	FOR COMPANY LAW MATTERS		
	FOR MANAGEMENT SERVICES	20,000	23,600
	FOR OTHER SERVICES		11,800
	FOR REIMBURSEMENT OF EXPENSES		
	TOTAL	60,000	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		
	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	806,28,734	728,52,696
	TOTAL	806,28,734	728,52,696
	PRIOR PERIOD EXPENDITURE	1,48,899	2,933
TOTAL	1,48,899	2,933	

HANDLOOM EXPORT PROMOTION COUNCIL
CASH FLOW STATEMENT AS AT MARCH 31, 2019

PARTICULARS	31-Mar-19	31-Mar-18
Cash flows from Operating Activities:		
Excess of Income over expenditure	208,91,136	(36,43,272)
Adjustments for		
Depreciation	56,47,033	64,30,253
Finance cost	-	
Operating profit before working capital changes	265,38,169	27,86,981
Movements in working capital:		
(Increase)/Decrease in Sundry Debtors	-	-
(Increase)/Decrease in Loans and advances	25,22,368	(78,36,197)
(Increase)/Decrease in Stocks	3,95,377	-
(Increase)/Decrease in Other current assets	(276,58,315)	(111,52,301)
Increase/(Decrease) in Current Liabilities and Provisions	(49,15,266)	88,70,607
Cash generated from Operating Activities	(31,17,667)	(73,30,910)
Direct Taxes/Appropriations	-	-
Net Cash from Operating Activities	(31,17,667)	(73,30,910)
Cash flow from Investing Activities:		
Purchase of Fixed Assets	(18,18,901)	(3,81,970)
Sale of Fixed assets		-
Other Investments		-
Net cash flow from Investing activities	(18,18,901)	(3,81,970)
Cash flow from Financing Activities:		
Increase/(Decrease) in Secured Loans	-	-
Interest Paid	-	-
Net Cash from / (used) in Financing Activities	-	-
Net increase in cash and cash equivalents	(49,36,568)	(77,12,880)
Cash and Cash equivalents at the beginning of the year	377,13,342	454,26,221
Cash and Cash equivalents at the end of the year	327,76,774	377,13,342

As per our report of even date

FOR HANDLOOM EXPORT PROMOTION COUNCIL

For R. Gopalakirshnan & Co.

Firm Regn.NO: 000972S

Chartered Accountants

sd/-

sd/-

sd/-

sd/-

G. ANANTHAN**(S. B. DEEPAK KUMAR)****(K. N. PRABHU)****(T.V. CHANDRASEKARAN)**

Partner

EXECUTIVE DIRECTOR**CHAIRMAN****VICE CHAIRMAN**

Membership No: 021916

PLACE : CHENNAI DATED : 21.08.2019

HANDLOOM EXPORT PROMOTION COUNCIL
NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2019

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 other service charges 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 31.03.2019	Previous year ended 31.03.2018
Statutory Auditors	40,000	47,200
Internal Auditors	20,000	23,600
PF Auditors	nil	11,800

3. Earning in Foreign Currency:

Particulars	Current year ended 31.03.2019	Previous year ended 31.03.2018
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 31.03.2019	Previous year ended 31.03.2018
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.8,06,28,734/-	Rs. 7,28,52,696/--
vii.Amount remitted in foreign currency on account of dividend	NIL	NIL

5. Detail of Prior period adjustment:

Particulars	Current year ended 31.03.2019	Previous year ended 31.03.2018
Income	NIL	NIL
Expenditure	1,48,899/-	2,933/-
Excess provision made on Grant	55,421/-	23,47,752/-

6. Detail of Grant for the year 2018-19

Particulars	Ministry of Textiles	Ministry of Commerce & Industry
	Exhibitions including Grant to exporters and other projects	Exhibitions including Grant to exporters
Grant Received	89,74,299/-	1,46,25,000/-
Grant Receivable	5,87,19,432/-	1,29,06,513/-
Total Grant	6,76,93,731/-	2,75,31,513/-
Grant Utilized	6,76,93,731/-	2,75,31,513/-
Closing balance	Nil	Nil

7. Details of Gratuity Fund

Opening balance	2018-19	2017-18
Opening balance	62,86,216.00	65,50,895.00
Less : transfer to Gratuity Fund	11,70,000.00	11,00,000.00
Add: Provision for the year	6,69,269.00	8,35,321.00
Closing balance	57,85,485.00	62,86,216.00

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 R. Gopalakirshnan & 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 : 21.08.2019

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 50th Annual General Meeting of the Council to be held on the 30th date of
September 2019 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.....2019.

Seal:

Signature

Affix Revenue Stamp

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 Fiftieth Annual General Meeting of the Council to be held on 30th September 2019 at 12.00 Noon at the Premises of the Council.

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