

47th
ANNUAL REPORT
2015 - 16



THE HANDLOOM EXPORT PROMOTION COUNCIL

MEMBERS OF THE EXECUTIVE COMMITTEE

Chairman: **Shri V. Kumar,**
M/s. The Standard Textiles, Karur.

ViceChairman: **Dr. K.N. Prabhu,**
M/s. Paradigm International, 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. Shri V. Kumar, M/s. The Standard Textiles, Karur.
2. Dr. K.N. Prabhu, M/s. Paradigm International, Karur.
3. Shri Gagan Rai, M/s. Seth Kumar Rai International, New Delhi.
4. Shri R. Rajendiran, M/s. Trident Home Furnishing (P) Ltd, Chennai.
5. Shri P. Gopalakrishnan, M/s. Metro Fabrics, Karur.
6. Shri Rajiv Agrawal, M/s. Silko International, Varanasi.
7. Shri T.V. Chandrasekaran, M/s. Rakhava Impex, Karur.
8. Shri M. Charles, M/s. JVS Export, Madurai.
9. Shri M. Thirumurthy, M/s. Unity Exports, Karur.
10. Shri Ramesh Kumar Chugh, M/s. Sheena Exports, Panipat.
11. Shri K.M. Saleem, M/s. K.A.S. Zainulabdin & Co, Chennai.
12. Shri K. Kumaravel, M/s. Ponni Fab, Karur.
13. Shri P. Sathiya Narayanan, M/s. C. Periasami & Co., Karur.
14. Shri N.R. Venkatachalam, M/s. Asian Fabricx Pvt. Ltd., Karur.
15. Shri V.C. Selvan, M/s. American Textile Company, Karur.
16. Smt. Rita Jha, M/s. S.R. Overseas, Bhagalpur.

CO-OPTED MEMBERS

1. Shri M. Britto, M/s. C. Swaminatha Mudaliar Sons & Co., Madurai.
2. Shri Vinod Dhamija, M/s. Sahil International (PNP), Panipat.

Executive Director: R. Anand IPOs,

Auditors: M/s. R Gopalakrishnan & Co

Bankers: State Bank of India, Thousand Lights Branch, Chennai.

THE HANDLOOM EXPORT PROMOTION COUNCIL

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

NOTICE

Notice is hereby given that the Forty Seventh Annual General Meeting of the Handloom Export Promotion Council will be held at 12.00 noon on Monday the 12th September 2016, 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 2016, the Audited Balance Sheet, the Income & Expenditure Account for the year ended 31st March 2016, 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 2016-17 and fix their remuneration.
3. To elect members to the Executive Committee in the place of members retiring by rotation.

(By order)

Sd/-

Date: 27.08.16

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 2016-17 and Fix their Remuneration.

At the 46th Annual General Meeting held on 21-09-15, M/s R. Gopalakrishnan & Co., Chennai were appointed as Auditor of the Council for the year 2015-16 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 2016-17 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 Fabric/Lunghies/Real Madras Handkerchiefs

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

Handloom Floor Coverings

1. Shri Ramesh Kumar Chugh,
M/s. Sheena Exports, Panipat
2. Vacant
3. Vacant

Handloom Made ups

1. Shri K. Kumaravel,
M/s. Ponni Fab, Karur
2. Shri P. Sathiya Narayanan,
M/s. C. Periasami & Co., Karur
3. Shri Gagan Rai,
M/s. Seth Kumar Rai International, New Delhi
4. Shri M. Charles,
M/s. JVS Export, Madurai

The election has to be held for the following categories:

Product Groups	Vacancies to be filled
1. Handloom Fabrics/Lunghies/ RMHKs	1
2. Handloom Floor Coverings	3
3. Handloom Made ups	4
Total	8

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 2015-16

MEMBERSHIP OF THE COUNCIL

The total number of Members / RTEs of the Council at the end of the year 2015-16 were 1417.

As on 1st April, 2015	1313
DEDUCT:	215
Number of Members/RTEs removed from membership roll on account of default in payment of subscription, Resignation, change in constitution, etc.,	
ADD:	84
Number of Members/RTEs restored	
ADD:	235
Number of RTEs included in membership roll on account of fresh enrolment	
As on 31.03.2016	1417

CONSTITUTION OF THE EXECUTIVE COMMITTEE

CHAIRMAN

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

Shri Gagan Rai, **(upto 28.03.2016)**
M/s. Seth Kumar Rai International, New Delhi.

VICE CHAIRMAN

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

Shri R. Rajendiran, **(upto 28.03.2016)**
M/s. Trident Home Furnishing (P) Ltd., Chennai.

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 31.01.2016 upto AGM)**
M/s. C. Swaminatha Mudaliar Sons & Co, Madurai.
2. Shri Vinod Dhamija, **(from 31.01.2016 upto AGM)**
M/s. Sahil International (PNP), Panipat.

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

1. Shri M. Thirumurthy, (Elected on 25.09.2013)
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 Ramesh Kumar Chugh, (Elected on 25.09.2013)
M/s. Sheena Exports, Panipat.
2. Shri N.R. Venkatachalam, (Elected on 03.03.2016)
M/s. Asian Fabricx Pvt. Ltd., Karur.
3. Vacant
4. Vacant

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 Gagan Rai, (Elected on 25.09.2013)
M/s. Seth Kumar Rai International, New Delhi.
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 M. Charles, (Elected on 25.09.2013)
M/s. JVS Export, Madurai.
8. Shri K. Kumaravel, (Elected on 25.09.2013)
M/s. Ponni Fab, Karur.
9. Shri P. Sathiya Narayanan, (Elected on 25.09.2013)
M/s. C. Periasami & Co., Karur.

10. Shri V.C. Selvan, (Elected on 03.03.2016)
M/s. American Textile Company, Karur.

Others including Handloom Clothing Accessories

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

1. Meetings of the Council:

a) The 46th Annual General Meeting of the Council was held on 21.09.2015 at Council's premises.

b) Meetings of the Executive Committee

29.08.2015	201st Executive Committee Meeting
30.01.2016	202nd Executive Committee Meeting
10.03.2016	203rd Executive Committee Meeting
29.03.2016	204th Executive Committee Meeting

FINANCE

The total revenue for 2015-16 was Rs. 946.86 Lac comprising of

Subscription and entrance fee of Membership Rs. 81.90 Lac

Miscellaneous receipts including Participation fee Rs. 790.43 Lac
MDA & MAI Grant from Government including

Grant for member exporters Rs. 74.53 Lac

The total expenditure was Rs. 890.71 Lac was classified such as

Participation in Fairs/Exhibitions/BSMs abroad, Publicity abroad
and Publication in etc., and

Disbursement of grant to member exporters Rs. 523.15 Lac

The expenditure on non-code activities including

Depreciation on assets Rs.367.56 Lac

As on 31st March 2016, the total investment of Rs.258.39 Lac under Fixed Deposit in Nationalized Banks and Government.

EXPORT PROMOTION ACTIVITIES 2015-16

EXHIBITIONS ABROAD

1. Hong Kong International Home Textiles & Furnishings Fair, Hong Kong (20-23, April 2015)

Council participated for the 11th year in the Hong Kong International Home Textiles & Furnishings Fair organized by Hong Kong Trade Development Council (HKTDC) at Hong Kong from 20-23rd April 2015. HKTDC has recognized HEPC as one of their Supporting Organisation of the fair and given publicity in their website and fair brochures.

HEPC participated with 33 member exporters by taking space of 360sq. mtrs. and had also put up central pavilion stall in the fair. As per the feedback received from the participants, business enquiries worth Rs.13.74 crore and spot orders worth Rs.2.73 crore were generated at this fair.

The event was organised for the 5th time in succession availing financial grant under Market Access Initiative (MAI) scheme of Ministry of Commerce & Industry, Govt. of India.

2. Hometextile Sourcing Expo, New York, USA (21 – 23, July 2015)

Home Textiles Sourcing Expo (HTSE) is held once a year in July alongside Texworld USA & Apparel Sourcing Expo to create the largest fabric sourcing destination for the North American marketplace. The event is organized by Messe Frankfurt, Inc., USA.

The Council participated in sixth edition of Home Textiles Sourcing Expo which was held from July 21 - 23, 2015 at the Javits Convention Center in New York City. Exhibits at the show included full spectrum of fabric and finished soft-goods manufactured in the following categories: Bath, bed, floor coverings, kitchen, outdoor, pillows, tabletop, upholstery, wall coverings and window coverings.

Council participated in the event with 10 members by booking a space of 102 sq.mtrs which included a Central Promotion stall by Council. As per participants' feedback, spot orders worth Rs.1.04 crore and business enquiries worth Rs.6.52 crore were received during this fair.

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

3. 26th India Home Furnishing Fair, Osaka, Japan (22-24, July 2015)

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 26th edition held at Osaka, Japan during 22-24th July 2015, HEPC had participated with 29 member exporters by taking constructed booth area of 375 sq.mtrs. and HEPC had also put up Central Promotional Stall in the fair.

As per the feedback received from our participants, spot order worth Rs.1.76 crore and enquiries worth Rs.11.66 crore were generated at this fair.

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

4. Textil House Fair, Sao Paulo, Brazil (13-16, August 2015)

Council organized participation in 8th edition of Têxtil House House Fair, Sao Paulo, Brazil from 13th – 16th August 2015. The event was organized by Grafite Feiras e Promoções – one of the important trade promoters in Brazil. The event focused on hometextile products for autumn-winter season. Nine exhibitors participated in the event through the council in a total area 102 m². As per participants' feedback, spot orders worth Rs.1.84 crore and business enquiries worth Rs.5.13 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.

5. Intertextile Shanghai Home Textiles, Shanghai, China (26-28, August 2015)

Council participated in the Intertextile Shanghai Home textiles, held at Shanghai, China, from 26th-28th August 2015 with 10 participants and had also put up a promotional stall in the fair by taking an area of 99 sq.mtrs. As per participants' feedback, spot orders worth Rs.0.43 crore and business enquiries worth Rs.4.03 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 (4-7, September 2015)

Council participated in the summer edition of WHO's NEXT held at Paris, France from 4-7th September 2015. Council has been participating in this fair from 2010 and this was Council's 4th participation in the WHO's NEXT PARIS.

Council participated with 22 participants (12 with grant; 10 without grant) by booking space of 260 sq. mtrs. Council had put up a promotional stall and also hired hostess for distributing publicity materials to visitors. As per the feedback received from member participants, spot orders worth Rs.14 crore had been booked and enquiries to the tune of Rs.16.04 crore were generated.

The event was organized under National Handloom Development Programme of %. the Development Commissioner for Handlooms (DCH), Ministry of Textiles, Government of India.

7. Maison & Objet, Paris, France (4-8th September 2015)

The International Home Décor exhibition Maison & Objet is held at Paris, France, twice every year, during the month of September and January. Organised by one of the leading fair organisers namely SAFI (Salons Francais Et Internationux), France, this event positions itself as

one of the premium event for high quality brands.

Council organized participation for 11 member exporters (10 with grant; 1 without grant) in this event under Market Development Assistance (MDA) of Ministry of Commerce & Industry, Govt. of India with a total space of 102 sq.mtrs. The participants reported that they had booked spot orders worth Rs.0.46 crore and business enquiries to the tune of Rs.2.41 crore were generated during this event.

8. Global Home Show, New York, USA (27th Sept. - 01st Oct. 2015)

Council participated for the first time in Global Home Show 2015 held from 27th September to 1st October 2015 during Market week in New York, USA. The publisher of Home & Textiles Today (H&TT) organized the 12th edition of the event at 13-15 West 28th Street, Fifth Avenue, New York. The event was organized concurrently with New York Homefashion Market Week.

The event was organized under National Handloom Development Programme of O/o. The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India with 8 member exporters. As per participants' feedback, total business enquiries worth Rs.4.25 crore were generated during this fair.

9. India Trend Fair, Tokyo, Japan (27-29, October 2015)

India trend fair was organized in Tokyo by Japan India Industry Promotion Association during 27-29th October 2015. It was a B2B trade fair concentrating on fashion & textiles, bags & shoes, jewellery & accessories, interior and sundries. The venue of the fair was Sumitomo Fudousan Shibuya, Garden Tower b1f, 16-17 Nanpeidai, Shibuyaku, Tokyo, Japan.

Council participated in India Trend Fair, Tokyo, Japan from 27-29th October 2015 with 10 member exporters. The participation was undertaken by getting space through Apparel Export Promotion Council. As per participants' feedback, business enquiries worth Rs.4.42 crore were generated during this fair.

10. China Import & Export Fair (CANTON), Guangzhou, China (31st Oct. –4th Nov. 2015)

China Import and Export Fair, also known as the Canton Fair, is held biannually in Guangzhou every spring and autumn, with a history of 56 years since 1957. The Fair is a comprehensive one with the longest history, the highest level, the largest scale, the most complete exhibit variety, the broadest distribution of overseas buyers and the greatest business turnover in China.

Council organised participation of 10 member exporters for the third time in the China Import and Export Fair which was held at China from 31st Oct to 4th Nov. 2015 by hiring total space of 99 sq.mtrs, which also included a Council's central promotion stall at Hall 15.1. Council's stalls were allotted in International Pavilion under Textile fabrics segment. Spot orders worth Rs.1.59 Crore and business enquiries worth Rs.6.20 crore were generated by our member participants during the event.

The event was organized under Market Development Assistance (MDA) of Ministry of Commerce

& Industry, Govt. of India.

11. International Sourcing Expo, Melbourne, Australia (16-18, November 2015)

Council organized participation of 14 member exporters (10 with grant; 4 without grant) in Australia International Sourcing Fair held at Melbourne during 16–18 November 2015. Total space of 135 sq.mtrs. was hired for stalls of member exporters and Council's central promotional stall at the fair.

As per participants' feedback, totally 277 business visitors visited their stalls, spot orders worth Rs.0.72 crore and business enquiries worth Rs.18.11 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.

12. Heimtextil, Frankfurt, Germany (12-15, January 2016)

Heimtextil is the biggest international trade fair for home and contract textiles and the global benchmark for quality design textiles of innovative functionality. Occupying 19 exhibition halls, the leading international trade fair for the sector presents the entire portfolio for textile interior design and textile furnishings for commercial projects: from products for windows, upholstery, floors, walls and sun protection to textiles for the bathroom, bed and table.

Council organized participation of 54 member exporters in Heimtextil fair held at Frankfurt, Germany during January 12-15, 2016. Council had hired total space of 964 sq.mtrs. (346 sq.mtrs. in Hall 6.3 and 618 sq.mtrs. in Hall 10.3) accommodating 24 exhibitors in Hall 6.3 and 30 exhibitors in Hall 10.3.

According to Messe Frankfurt's report, more than 69,000 trade visitors (2015: 67,861) attended the fair. 2,866 exhibitors from 137 countries (2015: 2,723 from 68 countries) participated in the current edition. Out of 2866 exhibitors, Germany had 318 exhibitors and remaining 2549 were from overseas countries thus constituting about 89% international participation. This year's Heimtextil saw a growth in exhibitors from Europe, in particular Turkey, Italy, the Netherlands and Belgium, as well as global exhibitors from many countries including Brazil and the USA.

As per the feedback received from our member participant business generated during this fair was around Rs.70 crore (Rs.15.12 crore – spot order and Rs.55.08 crore – business enquiries).

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

13. Domotex, Hannover, Germany (16-19, January 2016)

Council organized participation in Domotex held at Hannover, Germany during 16-19th January

2016 with 5 member exporters. The participation was undertaken by getting space through Carpet Export Promotion Council.

14. Hong Kong Fashion Week, Hong Kong (18-21, January 2016)

Council organized participation in Hong Kong Fashion Week, Hong Kong from 18-21 January 2016 with 13 member exporters of EUPEA besides Council's Central Promotional Stall by taking an area of 126 sq.mtrs. As per participants' feedback, spot orders worth Rs.1.03 crore and business enquiries worth Rs.1.51 crore were received during this fair.

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

15. WHO'S NEXT, Paris, France (22-25, January 2016)

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 22-25, 2016.

Council participated in the winter edition of WHO'S NEXT Show held at Paris, France with 25 participants (12 with grant; 13 without grant) and had also put up a promotional stall at the fair by taking an area of 273 sq.mtrs. As per the feedback received from member participants spot orders worth Rs.5.58 crore had been booked and enquiries to the tune of Rs.6.33 crore were generated.

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

EXHIBITIONS IN INDIA

1. Indian Handicrafts & Gift Fair (Autumn), Greater Noida (14-18, October 2015)

The 40th Edition of Indian Handicrafts & Gift Fair (Autumn) was held at Greater Noida from 14-18th October 2015.

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 13 member exporters besides Council's Central Promotional Stand. EPCH has provided only 10 booths in main Hall & remaining 3 booths in Mart Area.

As per participants' feedback, spot orders worth Rs.1.03 crore and business enquiries worth Rs.3.02 crore were generated during this fair.

2. Indian Handicrafts & Gift Fair (Spring), Greater Noida (20-23, February 2016)

The 41st Edition of Indian Handicrafts & Gift Fair (Spring) was held at Greater Noida from 20-23rd February 2016.

Council participated in this fair with 6 member exporters besides Council's Central Promotional

Stand.

As per participants' feedback, spot orders worth Rs.1.74 crore and business enquiries worth Rs.2.97 crore were generated during this fair.

3. India International Handwoven Fair (IIHF), Chennai (9-11, March 2016)

Handloom Export Promotion Council under Market Access Initiative (MAI) Scheme of Ministry of Commerce and Industry, Government of India organized the 6th edition of India International Hand-woven Fair (IIHF) during March 9-11, 2016 as Reverse Buyer Seller Meet at Chennai Trade Centre, Chennai, Tamil Nadu.

The event in its 6th edition was conceptualised by HEPC in the year 2011 to provide a platform for the manufacturers, exporters, cooperatives and clusters of Indian Handwoven textiles to explore the market potential for their products in International market. IIHF provides an ideal platform to portray the rich heritage and vast range of Indian Hand-woven textiles from all parts of the country to the visiting International Buyers. The main product included contemporary products in home décor segment viz. Home textiles, Clothing accessories, Jute, Handicrafts etc.,

Smt. Rashmi Verma, IAS, Secretary, Ministry of Textiles, Govt. of India was the Chief Guest on the Inaugural Day of the event and Shri Alok Kumar IAS, Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India was the Guest of Honour.

ABOUT PARTICIPANTS:

- The event had 171 exhibitors from all over India which included 29 participants under Directorate of Handlooms & Textiles, Govt. of Andhra Pradesh, Kerala and Tamil Nadu. In terms of number of participants, Tamil Nadu topped the list with 70 participants followed by Kerala (21 Nos.), Andhra Pradesh (17 Nos.), & Uttar Pradesh (11 Nos.). Among participants from North East, Assam had 11 participants.
- Apart from Merchant and Manufacturer exporters of the Council, the participants included Apex cooperatives and state agencies such as CO-OPTEx, APCO, BOYANIKA, TANTUJA, JHARKRAFT, HANVEEV, HANTEX, Handloom House, HHEC of India Ltd etc., exporters of the Council.
- Further, the event also provided opportunity for primary cooperatives and clusters (29 Nos.) from the state of Tamil Nadu, Kerala, Andhra Pradesh through their respective Directorate of Handlooms & Textiles.
- For the first time, India Handloom Brand registered participants (6 Nos.) exhibited in the event. As in the past, National Jute Board also participated in the event along with ten of their member exporters.

EVENT OUTCOME:

- As per feedback from participants, total business generated during the fair was

Rs.14.87 crore including spot order worth Rs.2.61 crore (31 participants) and business enquiries of Rs.12.26 crore (120 participants). In comparison, the total business generated during the previous edition in 2015 was Rs.7.50 crore.

- Council also encouraged the participation of designers so as to woo buyers of niche market product.
- Council also organised seminars inviting speakers from Australia and Japan to present market trend in their respective markets.
- A complimentary Interpreter service for Japanese, French & Portuguese languages was arranged for the participants.

AWARDS:

- Best display awards for 8 participants (3 among exporters' category, 2 among designers' category and 3 among co-operative/ clusters category) were given as a measure to improve display standards during fair participation.
- The best display award was distributed by Shri Harmander Singh IAS, Principal Secretary, Handlooms, Handicrafts, Textiles and Khadi Department, Govt. of Tamil Nadu.

Meeting/Field Visits

1. ED attended meeting on Hank Yarn Obligation under the Chairmanship of DC (Handlooms) on April 07, 2015 at New Delhi.
2. ED and EPO, HO attended meeting on Hank Yarn Obligation survey at Coimbatore on April 13 & 14, 2015.
3. EPO, RO attended meeting chaired by JS (Exports) to discuss issues pertaining to Rules of Origin under RCEP on April 17, 2015 at New Delhi.
4. Chairman and ED attended meeting chaired by JS (Exports) to review the export performance of 2014-15 and fixation of export targets for 2015-16 on April 23, 2015 at New Delhi.
5. ED attended meeting on Hank Yarn Obligation along with Shri S.Srinivas, CMD, NHDC, Shri T.L.Balakumar, DD & Officer in-charge, Regional Office of the Textiles Commissioner, Coimbatore and Shri Pritam Sonawane, Senior Consultant, Techno Pak at Council's office on April 24, 2015 and finalized the survey report.
6. EPO, RO attended meeting chaired by JS (Exports) on issues related to Interest Subvention Rates on May 06, 2015 at New Delhi.
7. Executive Director attended meeting with Development Commissioner (Handlooms) and apprised issues related to handloom sector on May 07, 2015 at New Delhi.

8. Chairman, HEPC had an introductory meeting with Development Commissioner (Handlooms) on May 08, 2015 at New Delhi.
9. EPO, RO attended meeting chaired by JS (Exports), MoC&I on Foreign Trade policy 2015-20 on May 11, 2015 at New Delhi.
10. ED attended inauguration of IJCCI Centre of Excellence which was inaugurated by Shri Seiji Baba, Consul General of Japan on May 15, 2015 at Chennai.
11. ED attended interactive session on Goods and Services Tax organized by FIEO on May 18, 2015 at Chennai.
12. ED met the Commissioner, Service Tax, Chennai Region on May 20, 2015 and explained Council's position with respect to the show cause notice issued by the department requesting therein for settlement of the issue.
13. EPO, RO attended meeting chaired by JS (Exports) on CVD Exemption on May 27, 2015 at New Delhi.
14. Shri Alok Kumar IAS, DC (Handlooms) launched the revamped website of the Council on June 03, 2015 at New Delhi. Chairman, Vice Chairman and ED, HEPC attended the programme.
15. EPO, RO attended meeting of the Implementation Committee of NCTD chaired by Secretary (Textiles) and DC (Handlooms) on selection of designs developed by WSCs under the theme "Tradition & Trend" on June 26, 2015 at New Delhi.
16. EPO, RO attended committee meeting of publicity and campaign of "Indian Handloom Brand" chaired by DC (Handlooms) on June 30, 2015 at New Delhi.
17. EPO, RO attended pre-bid meeting for the RFP on selection of Creative Agency for promotion of Indian Handlooms on July 10, 2015 at New Delhi.
18. Superintendent, RO attended pre-bid meeting for selection / appointment of media agency for promotion of Indian Handlooms on July 21, 2015 at New Delhi.
19. Material submitted for the review meeting convened by Secretary (Textiles) at his Chamber on export performance of current financial year and to discuss the steps to be taken to boost exports of textiles industry on July 22, 2015 at New Delhi.
20. EPO, RO attended meeting chaired by Dr.Guruprasad Mohapatra, JS, FT(CIS) on preparing the strategy paper for CIS countries on Non-Tariff Barriers on July 28, 2015 at New Delhi.
21. ED attended committee meeting chaired by Development Commissioner (Handlooms) for selection of creative agency for promoting India Handloom Brand on August 11, 2015 and August 17, 2015 at New Delhi.

22. EPO, RO attended meeting chaired by JS (Exports) to discuss RCEP matters on September 02, 2015 at New Delhi.
23. Chairman & ED attended interactive meeting chaired by Secretary (Textiles) on India Handloom Brand on September 16, 2015 at New Delhi.
24. EPO, RO attended sub-committee meeting chaired by JS(E&MDA), Dept. of Commerce on MAI proposals for 2016-17 on September 17, 2015 at New Delhi.
25. EPO, RO attended meeting of Monitoring Committee for publicity media campaign to promote Indian Handloom Brand chaired by DC(Handlooms) on September 17, 2015 at New Delhi.
26. EPO, RO attended meeting chaired by ADC (Handlooms) on e-Commerce for the Handloom sector on September 21, 2015 at New Delhi.
27. ED attended meeting of the review committee for inclusion of new products under India Handloom Brand chaired by DC (Handlooms) on September 30, 2015 at New Delhi.
28. ED attended meeting convened by Commerce Secretary to discuss issues relating to decline in export of various commodities from India on October 07, 2015 at New Delhi.
29. Chairman attended 8th edition of flagship Conference for Textiles & Apparel Industry TEXCON 2015 organised by Confederation of Indian Industry (CII) and handled a session on Unorganised Sector – Precondition for progression of Indian Textile Sector on October 16, 2015 at New Delhi.
30. ED discussed with Prof.Piyush Sinha, Indian Institute of Management, Ahmedabad regarding proposed study on analyzing the current handloom export strategy on October 19, 2015 at Ahmedabad.
31. ED attended meeting chaired by DC (Handlooms) to examine the genuineness of expenditure incurred on National Handloom Day held on August 07, 2015 on October 19, 2015 at New Delhi.
32. EPO, RO attended meeting convened by Shri Ravi Capoor, JS (DOC) on amendment of Articles of Association on October 27, 2015 at New Delhi.
33. ED and EPO, RO attended meeting of the review committee chaired by DC (Handlooms) for inclusion of new products under India Handloom Brand on October 29, 2015 at New Delhi.
34. ED and EPO, RO attended meeting chaired by Secretary (Textiles) on Pre Budget preparation on October 30, 2015, New Delhi.
35. In connection with IIHF 2016 to be held at Chennai during 9-11th March 2016, Participants mobilization drive was conducted at Panipat on 26 & 27th November

2015.

36. Chairman and EPO, RO attended EC Meeting chaired by Commerce Secretary on MAI proposals 2016-17 on December 02, 2015 at New Delhi.
37. EPO, RO attended meetings on selection of Creative Agency for promotion of Indian Handlooms on December 04 and 10, 2015 at New Delhi.
38. ED attended meeting on selection of Creative Agency for promotion of Indian Handlooms on December 21, 2015 at New Delhi.
39. Superintendent, RO attended seminar on "Niryat Bandhu" at Panipat on December 21, 2015.
40. ED attended meeting with Secretary (Textiles) on 4th January 2016 at New Delhi.
41. ED attended meeting on National Handloom Development Programme and Comprehensive Handloom Cluster Development Scheme at Hyderabad on 12th January, 2016.
42. EPO, RO attended meeting chaired by Joint Secretary (Textiles) on India's initial goods offer under RCEP on 4th February 2016 at New Delhi.
43. ED attended review of committee meeting to include new products under India Handloom Brand on 6th February, 2016 at Weavers' Service Centre at New Delhi.
44. EPO, RO attended meeting chaired by Development Commissioner (Handlooms) on Make in India Exhibition on 8th February, 2016 at New Delhi.
45. ED attended meeting chaired by Development Commissioner (Handlooms) on Study on Autonomous Bodies on 16th February 2016 at New Delhi.
46. EPO, RO attended meeting chaired by Development Commissioner (Handlooms) on IHB & Block Level Cluster on 26th February 2016 at New Delhi.
47. ED attended meeting chaired by Development Commissioner (Handlooms) on India Handloom Brand on 29th February 2016 at New Delhi.
48. EPO, RO attended workshop organized by NHDC on 18th March 2016 at Panipat.
49. ED attended meeting chaired by JS(E&MDA) on demonstration of working module of the online evaluation & monitoring of the proposals submitted under MAI schemes on 22nd March 2016 at New Delhi.
50. ED & EPO, RO attended meeting on India Handloom Brand on 22nd March 2016 at New Delhi.

Seminars/workshops

1. Seminar at Chanderi on 11.06.2015

In order to sensitize the handloom industry about the intricacies involved in export trade, HEPC has organized a workshop titled “Export awareness - Export marketing and procedures” at Hotel Shrikunj, Chanderi, Madhya Pradesh on 11.06.2015 under MDA scheme of Department of Commerce, MOC&I, Government of India. Smt. Deepti Gaur Mukherjee IAS, Commissioner, Department of Handicrafts and Handlooms, Government of Madhya Pradesh was the chief guest. Shri Parmindar Singh Gulati of Old Village Overseas, New Delhi and Shri Sadh of KUM Connections, New Delhi addressed and interacted with the participants.

2. Seminar at Gadag on 25.06.2015

HEPC under MDA Scheme of Ministry of Commerce & Industry organized seminar on “Strategies to promote Handloom Export” at Nekar Bhavan, KSSIDC Industrial Area, Narasapur, Betageri-Gadag on June 25, 2015. The primary objective of organising the seminar was to create awareness among the weavers, master weavers about “Design Trends in Export Market” and “Product diversification strategy for Handloom Sector” and facilitating them to understand the challenges of Handloom sector in order to chalk out strategies to overcome them. Smt. Shipra Roy, Assistant Professor, National Institute of Fashion Technology, Bangalore, Shri Jawahar Lal Kunsoth, Deputy Director, Weavers’ Service Centre, Bangalore and Shri M.R. Itagi, Scientist C, Central Silk Board, Dharwar addressed and interacted with the participants.

3. Seminar at Calicut on 27.06.2015

A workshop on “EXPORT AWARENESS” was organized at Kozhikode (Calicut) on June 27, 2015. The event was organized with financial assistance from the Department of Commerce, Govt. of India under the Marketing Development Assistance (MDA) Scheme. Shri S.Sasikumar, Joint Director General Foreign Trade (Jt.DGFT), Madurai, Shri M.Krishnakumar, Associate Professor, National Institute of Fashion Technology (NIFT), Kannur, Shri Abdul Rasheed, Senior Manager, District Industries Centre, Kozhikode, Shri C.Jayachandran (of M/s Mascot Industries), a leading exporter from Kannur and Shri N.Sreedharan (of M/s CDE) of Icon Handloom cluster, Kannur addressed and interacted with the participants.

4. National Handloom Day Celebration on 07.08.2015

The 1st National Handloom Day event was organized by the Ministry of Textiles on 07.08.2015 and it was launched by the Prime Minister at Centenary Auditorium in Madras University, Chennai. National Handloom Day is observed to generate awareness about the importance of handloom industry as part of our rich heritage and culture, promote handloom products and lead to increase in income for the weavers as well as enhancing their confidence and pride. On this occasion, Prime Minister also launched the India Handloom Brand, which is an endorsement to the quality of handloom products. The Sant Kabir Awards and National Awards for the years 2012, 2013 and 2014 were also conferred to outstanding weavers who carry on the tradition and have made valuable contribution to the development of the handloom sector. HEPC assisted the Ministry of Textiles in organizing the event.

5. Seminar at Karur on 07.09.2015 and Panipat on 10.09.2015

Council in association with Japan India Industry Promotion Association (JIIPA) organized a Seminar / workshop on “Fashion Forecast for Japanese Market” at Karur on 07-09-15 and at Panipat on 10.09.2015. Shri Gagan Rai, Chairman, HEPC delivered the key note address at Panipat. Shri P.Gopalakrishnan, Past Chairman and Executive Committee Member of the Council delivered welcome address at Karur.

The following delegates from Japan India Industry Promotion Association (JIIPA) participated in the event and made presentation about Japanese market trends.

1. Shri Yasui Shigemaro, Chairman, JIIPA
2. Shri Koji Shimada, Asia Development producer
3. Shri Seiji Inoue, Designer
4. Shri Yoji Sugita, Consultant
5. Shri Prashant Godghate, Secretary General, JIIPA

6. Seminar at Karur on 12.10.2015

HEPC organised a seminar on “Heimtextil 2016 color trends & Visual Merchandising” at Karur on 12-10-15 to provide information about the product development for the season ahead particularly with a specific focus to Heimtextil 2016 and its presentation during the fair through an effective visual merchandising process. A presentation on Heimtextil 2016 color trends was made by Shri B.Karthikeyan, Associate Professor, NIFT, Chennai. Dr. M.Vasantha, Associate Professor, NIFT, Chennai made a presentation on “Visual Merchandising” with a focus on importance on WHAT to present, HOW to present and WHERE to present. Further, visuals of Dos and DONTs at exhibition with a focus on Lightings, Props etc were presented for the participants to provide input on booth presentation during fair participation.

7. Seminar at Kannur on 20.11.2015

Council, under MDA scheme of Department of Commerce, Ministry of Commerce & Industry, Govt. of India, organized a Seminar at Kannur on “Heimtextil 2016 Color Trends & Visual Merchandising” on 20.11.15 to sensitize the Handloom industry about the intricacies involved in export trade.

The seminar was chaired by Shri D.Paul, Assistant Commissioner, Custom House Cochin, Shri Shabaridas, President and Shri Divakaran, Vice President, of Kerala Textile Export Organization. Shri B.Karthikeyan, Associate Prof, NIFT, Chennai, made a presentation on Colour/fashion trends received from the fair authorities. Smt. M.Vasantha, Associate Prof, NIFT, Chennai, made a presentation on Visual Merchandising at the seminar.

8. Seminar at Panipat on 02.12.2015

Council, under MDA scheme of Department of Commerce, Ministry of Commerce & Industry, Govt. of India, organized a Seminar at Panipat on “Heimtextil 2016 Color Trends & Visual Merchandising” on 02.12.2015 at hotel Le Gem, Panipat to sensitize the Handloom industry about the intricacies involved in export trade.

The Seminar was chaired by Shri C.K.Mishra, Dy.DGFT, Panipat and co chaired by Shri Vinod Dhamija, Shri Suresh Tayal, Ex-Executive Committee Members, HEPC & Shri Ramesh Verma,

President, Haryana Handloom Manufacturers and Exporters Association (HEMA). The chief guest Shri C.K. Mishra, ITS, Dy.DGFT made a power point presentation on Foreign Trade Policy 2015-16 and export incentives. Prof.Kripal Mathur, NIFT and Prof.Savita Sheoran Rana, NIFT have jointly made a power point presentation on “Color Trends and Forecast Heimtextil 2016 and Visual Merchandising”.

9. Saarang 2016 – 6-10 January 2016

Council coordinated the event for promotion of India Handloom Brand by co-sponsoring a Fashion Show at IIT Madras as part of the Institute’s annual inter-collegiate cultural event called “Sarang 2016” held during 6-10 January 2016 to promote usage of handloom products among college students. Financial assistance from the office of the Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India was availed for this co-sponsorship.

10. Block level cluster study

Council has undertaken study on block level handloom clusters at Karur, Kannur, Chennimalai, Sirumugai and Hyderabad to identify exportable products during January 2016. Based on study, it is proposed to organize awareness seminars on export and establish link with merchant exporters.

11. Make in India Week

The Make in India Week was organised by the Govt. of India at Mumbai from 13-18 February, 2016. Prime Minister of India, Shri Narendra Modi inaugurated the “Make in India Week”. Prime Minister of Sweden, Finland, and Lithuania and Deputy PM of Poland, were present for the inauguration. Around 8,000 Indian industry leaders and 13 Union Ministers also attended the inauguration ceremony.

Council was allotted a booth in Hall earmarked for Textiles, Culture, Skill Development and Entrepreneurship. Handloom products of Home Textiles, Stoles and Scarves and Floor coverings collected from member exporters were displayed. About 40 business visitors including NRIs, Designers, and Manufacturers/Exporters visited HEPC stall and all showed interest in the products displayed at HEPC booth. Shri Santosh Kumar Gangwar, Minister of State for Textiles (Independent Charge) along with Smt.Rashmi Verma, Secretary (Textiles), Ministry of Textiles, Govt. of India visited HEPC booth.

12. Seminar at Chennai on 10.03.2016

Council organized two seminars on 10.03.2016 at Chennai Trade Centre, Chennai during IIHF 2016 held from 9-11 March 2016.

The Chief Guest of the seminars was Shri **Harmander Singh**, Principal Secretary to Government, **Handlooms, Handicrafts, Textiles and Khadi Department**, Govt. of Tamilnadu. Smt. Julia Raat from Australia made presentation on Trends in Australia for India Handloom – with the Sizzle at 4.30 pm and Shri Koji Shimada from Japan made presentation on Colour Forecast on Hometextiles in Japanese market. Both the seminars were attended by the overseas buyers and exhibitors of IIHF 2016. They opined that the seminars were helpful in understanding the design & market trend in Australia and Japanese markets.

13. Seminar at Varanasi on 28.03.2016

Council under Marketing Development Assistance Scheme (MDA) organized a Seminar “Design Trends in Export Market & Product Diversification Strategy” for Handloom Sector at Varanasi on 28.03.2016.

The Seminar was chaired by Shri Amit Kumar, Dy. DGFT, Varanasi & co- chaired by Shri Rajiv Agrawal, Executive Committee Member, HEPC, Shri Mukund Agrawal, President, Eastern Uttar Pradesh Exporters Association (EUPEA) & Shri S.Bandyopadhyaya, Dy. Director, WSC, Varanasi. Prof. Kripal Mathur, NIFT and Prof. Savita Sheoran Rana, NIFT jointly made a power point presentation on “Color Trends and Forecast and Visual Merchandising” and briefed about international colour forecasts, key areas of focus. Shri S.Bandyopadhyaya, Dy. Director, WSC made power point presentation on India Handloom Brand and explained the procedure, importance & benefits of registration under India Handloom Brand.

14. Seminar at Bhubaneswar 28.03.2016

Council under Marketing Development Assistance Scheme (MDA) organized seminar on Design Trends in Export Market & Product Diversification Strategy for Handloom Sector” at Bhubaneswar, Odisha on 28.03.2016.

The Chief guest, Shri Gobinda Chandra Biswal, Director of Textiles & Handlooms, Govt. of Odisha delivered the welcome address and the following topics were presented at the seminar:

- a. “New Design Development in Handloom fabrics for Export Market” by Shri Padmacharan Mahji, Textile Designer, NIFT, Bhubaneswar
- b. “India Handloom Brand -Benefits and Procedures” by Shri S.K. Patra, Deputy Director, Weavers Service Centre, Bhubaneswar.
- c. “NHDC and its Services to Handloom Industry” by Shri B.R. Das, Manager, NHDC, Bhubaneswar
- d. “Handloom Export Trends” by Shri P. Rangasamy, Export Promotion Officer, HEPC

15. Seminar at Srinagar on 31.03.2016

Council under MDA scheme of Department of Commerce, Ministry of Commerce & Industry, Govt. of India organized Seminar on “Design Trends in Export Market & Product Diversification Strategy for Handloom Sector” on 31.03.2016 at Srinagar.

The Chief guest Shri Bashir Ahmad Wani, KAS, Joint Director, JK Handloom Department delivered key note address. He said that around 50000 weavers are registered with the department and there are about 550 cooperative societies in Kashmir out of which 380 are functional. 10 Handloom development clusters are being run by the department under various centrally sponsored schemes. Prof. Ravi Joshi, National Institute of Fashion Technology made presentation on “Color Trends and Visual Merchandising”. Shri Tahir Ahmad Hakim, Assistant Director, WSC, Srinagar briefed about procedures & benefits of India Handloom Brand. Shri Qamar Ajaz, Foreign Trade Development Officer, O/o. Jt. DGFT, Srinagar briefed about IEC and various schemes, procedure & benefits under FTP to Handloom Sector.

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, 2016, 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's 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, 2016, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 tous:
- 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.
 - iv.

sd/-

CA.G.Ananthan

Partner

ICAI MemNo : 021916

FRN No : 000972S

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

Place: CHENNAI

Date:07.08.2016

“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, 2016 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, 2016, 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 : 0009725

Place:CHENNAI

Date:07.08.2016

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

HANDLOOM EXPORT PROMOTION COUNCIL
PART I - BALANCE SHEET AS AT 31ST MARCH 2016

S. No.	PARTICULARS	NOTE NO.	(In Rupees)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) SHARE CAPITAL	A	NIL	NIL
	(b) RESERVES AND SURPLUS	B	115,407,621	109,792,605
	(c) MONEY REC. AGST. SHARE WARRANTS		NIL	NIL
	TOTAL(1)		115,407,621	109,792,605
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		12,231,885	7,984,645
	(c) OTHER CURRENT LIABILITIES	F	4,786,382	16,128,152
	(d) SHORT TERM PROVISIONS	G	5,942,065	4,814,723
	TOTAL(4)		22,960,332	28,927,520
	TOTAL(1+2+3+4)		140,090,221	140,442,393
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS	H		
	(i) TANGIBLE ASSETS		61,452,071	67,429,251
	(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	I	204,847	114,774

S. No.	PARTICULARS	NOTE NO.	(In Rupees)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
2	(e) OTHER NON-CURRENT ASSETS	J	NIL	NIL
	TOTAL(1)		61,656,918	67,544,025
	<u>CURRENT ASSETS</u>			
	(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	34,730,782	47,903,046
	(e) SHORT-TERM LOANS AND ADVANCES	O	8,705,479	8,830,933
	(f) OTHER CURRENT ASSETS	P	34,601,665	15,769,012
	TOTAL(2)		78,433,303	72,898,368
TOTAL(1+2)		140,090,221	140,442,393	

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/-
(R ANAND)
EXECUTIVE
DIRECTOR

sd/-
(V KUMAR)
CHAIRMAN

sd/-
(K N PRABHU)
VICE
CHAIRMAN

PLACE: CHENNAI

DATED: 7/8/2016

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2016

NOTE NO.	S.N	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
A		SHARE CAPITAL:		
		(1)AUTHORISED:	NIL	NIL
		(2)ISSUED, SUBSCRIBED& PAID UP	NIL	NIL
			NIL	NIL
B	1	RESERVE & SURPLUS:		
		OTHER RESERVES		
		Opening Balance	109,792,605	107,368,233
		Additions during the Year	5,615,016	2,424,372
		Utilizations during the year	-	
		GRAND TOTAL	115,407,621	109,792,605
		Notes: No Reserve specifically earmarked for investments		
C		OTHER LONG-TERM LIABILITIES:		
		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		LONG-TERM PROVISIONS:	NIL	NIL
			NIL	NIL
E		CURRENT LIABILITIES		
		SHORT-TERM BORROWINGS:	NIL	NIL
		TRADE PAYABLES		
		SUNDRY CREDITORS	12,231,885	7,984,645
			12,231,885	7,984,645

NOTE NO.	S.N	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
F		OTHER CURRENT LIABILITIES		
	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	147,603	64,248
	6	CURRENT YEAR TAXES PAYABLE(NET OF ADVANCE TAX)	NIL	NIL
	7	INCOME RECEIVED IN ADVANCE		
		-MEMBERSHIP FEES	107,000	242,000
		-PARTICIPATION FEES -MDA	2,960,200	10,038,910
		-PARTICIPATION FEES -DCH	50,000	-
		-GRANT RECEIVED IN ADVANCE	-	3,200,000
	8	GRANT PAYABLE-MDA	536,006	939,607
		-GRANT PAYABLE TO EXPORTERS	400,000	1,058,314
	9	SECURITY DEPOSIT	585,573	585,073
	10	SUBSCRIPTION ADVANCE PAYABLE	-	-
			4,786,382	16,128,152
G		SHORT-TERM PROVISIONS		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	5,942,065	4,814,723
		(b) PROVISIONS RENT PAYABLE	-	-
			5,942,065	4,814,723
H	(a)	FIXED ASSETS	61,452,071	67,429,251
I	a	LONG TERM LOANS AND ADVANCES:		
		SECURITY DEPOSITS - RENT ADVANCE	204,847	114,774
			204,847	114,774
K	(a)	CURRENT ASSETS		
		CURRENT INVESTMENTS	NIL	NIL
			NIL	NIL
L	(b)	INVENTORIES:		
	1	RAW MATERIALS;	NIL	NIL
	2	WORK IN PROCESS;	NIL	NIL
	3	FINISHED GOODS;	NIL	NIL
	4	STOCK IN TRADE(IN RESPECT OF GOODS	NIL	NIL

NOTE NO.	S.N	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
	5	ACQUIRED FOR TRADING);	NIL	NIL
	6	STORES, SPARES & LOOSE TOOLS;	395,377	395,377
		OTHERS; (STOCK OF BOOKS)		
			395,377	395,377
M	a	TRADE RECEIVABLES:		
		(1) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE	NIL	NIL
		(2) OTHER DEBTS	NIL	NIL
			NIL	NIL
N	b	CASH & CASH EQUIVALENTS :		
		(a) BALANCE WITH BANKS		
		<u>IN FIXED DEPOSITS</u>		
		EARMARKED BALANCES WITH BANKS HELD AS MARGIN MONEY AGAINST BORROWINGS, AND OTHER COMMITMENTS.	565,552	565,552
		MATURITY WITH MORE THAN 12 MONTHS	NIL	NIL
		OTHERS- FIXED DEPOSITS	NIL	NIL
		<u>IN CURRENT ACCOUNTS:</u>	25,274,183	4,709,633
		SAVINGS ACCOUNTS	5,730,135	15,901,333
			3,154,496	26,718,662
		(b) CASH ON HAND	6,417	7,867
			34,730,782	47,903,046
O	(e)	SHORT TERM LOANS & ADVANCES:		
		ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
		(1) ADVANCE TO PARTIES	1,964,082	3,601,139
		(2) RECEIVABLE FROM REVENUE AUTHORITIES	5,032,310	4,502,300
		3 Pre Deposit - Service Tax Appeal	1,587,722	-
		(4) RENT RECEIVABLE	121,365	727,494
			8,705,479	8,830,933
P	(f)	OTHER CURRENT ASSETS:		
		GRANT RECEIVABLE - FAIR PARTICIPATION	33,320,311	15,676,403
		INTEREST ACCRUED ON INVESTMENTS	1,156,952	92,609
		PREPAID EXPENSES	124,402	-
			34,601,665	15,769,012

NOTE NO.	S.N	PARTICULARS	(IN RUPEES)	
			FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31ST MARCH 2015
Q		CONTINGENT LIABILITIES AND COMMITMENTS		
		(TO THE EXTENT NOT PROVIDED FOR)	118,373,600	69,946,499
	i	<u>CONTINGENT LIABILITIES</u>		
		(a) CLAIM AGAINST THE COMPANY NOT ACKNOWLEDGED	NIL	NIL
		AS DEBTS;		
		(b) GUARANTEES;	NIL	NIL
		© 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
R		THE AMOUNT OF DIVIDENDS PROPOSED TO BE DISTRIBUTED TO EQUITY AND PREFERENCE SHAREHOLDERS FOR THE PERIOD		
		AMOUNT PER EQUITY SHARE	NA	NA
S		ISSUE OF SECURITIES FOR SPECIFIC PURPOSE	NA	NA
T		DETAIL OF ANY ASSETS OTHER THAN FIXED ASSETS AND NON-	NA	NA
		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.		

As per our report of even date

For **R Gopalakrishnan & Co.**

FOR HANDLOOM EXPORT PROMOTION COUNCIL

Firm Regn No. 0009725

Chartered Accountants

sd/-

G ANANTHAN

CHARTERED ACCOUNTANTS

Membership No: 021916

sd/-

(R ANAND)

EXECUTIVE

DIRECTOR

sd/-

(V KUMAR)

CHAIRMAN

sd/-

(K N PRABHU)

VICE

CHAIRMAN

PLACE: CHENNAI

DATE : 07/8/2016

SCHEDULE FOR FIXED ASSETS FOR THE FINANCIAL YEAR 2015-16

Particulars	Net Block				Depreciation				Net Block	
	As at	Additions	Deletion	As at	for the year	additions	Deletions	Deprn Upto	As at	As at
	01.04.2015	For the Year		31.03.2016				31.03.2016	31.03.2016	31.03.2015
Land	2980144.00	-	-	2980144.00	-	-	-	-	2980144.00	2980144.00
Fax	2609.00	-	-	2609.00	1176.00	-	-	1176.00	1433.00	2609.00
Furniture	4035672.00	-	-	4035672.00	1044835.00	-	-	1044835.00	2990837.00	4035672.00
Stabilizer	1782.00	-	-	1782.00	461.00	-	-	461.00	1321.00	1782.00
Airconditioner	1557008.00	318910.00	-	1875918.00	216580.00	42416.00	-	258996.00	1616922.00	1557008.00
Computer	7518.00	92600.00	-	100118.00	4748.00	30105.00	-	34853.00	65265.00	7518.00
Cell Phone	30498.00	14500.00	-	44998.00	19263.00	1143.00	-	20406.00	24592.00	30498.00
Fan	16608.00	-	-	16608.00	4300.00	-	-	4300.00	12308.00	16608.00
Office Equipments	80218.00	227379.00	-	307597.00	36154.00	85530.00	-	121684.00	185913.00	80218.00
Generator	911367.00	-	-	911367.00	126771.00	-	-	126771.00	784596.00	911367.00
Motor Car	455666.00	-	-	455666.00	142304.00	-	-	142304.00	313362.00	455666.00
20 Kva Ups	284513.00	-	-	284513.00	128230.00	-	-	128230.00	156283.00	284513.00
M V Panel	323310.00	-	-	323310.00	145716.00	-	-	145716.00	177594.00	323310.00
Electrical Equipments	1757130.00	-	-	1757130.00	454921.00	-	-	454921.00	1302209.00	1757130.00
Building	54502889.00	1336815.00	-	55839704.00	5177774.00	348.00	-	5178122.00	50661582.00	54502889.00
Computerisation	482281.00	-	-	482281.00	304609.00	-	-	304609.00	177672.00	482281.00
Total	67429213.00	1990204.00	-	69419417.00	7807842.00	159542.00	-	7967384.00	61452033.00	67429213.00
Assets Carried at Residual Value										
Net Block										
Depreciation										
Net Block										
Particulars	As at	Additions	deletion	As at	for the year	Additions	Deletions	Deprn upto	As at	As at
	01.04.2015	for the year		31.03.2016	for the year			31.03.2016	31.03.2016	31.03.2015
Furniture	3.00	-	-	3.00	-	-	-	-	3.00	3.00
Weighing Machine (at Resi)	35.00	-	-	35.00	-	-	-	-	35.00	35.00
Total	38.00	-	-	38.00	-	-	-	-	38.00	38.00

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

INCOME AND EXPENDITURE STATEMENT 31ST MARCH 2016

S. No	PARTICULARS	(RUPEES IN)		
		NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015
	REVENUE FROM OPERATIONS			
I	REVENUE FROM OPERATIONS	1	83,713,670	73,539,962
II	OTHER INCOME	2	10,972,596	7,295,535
III	TOTAL REVENUE(I+II)		94,686,266	80,835,497
IV	EXPENSES:			
	a EMPLOYEE BENEFITS EXPENSES	3	17,500,325	15,260,500
	b FINANCE COSTS	4	14,056	15,991
	c DEPRECIATION AND AMORTIZATION EXPENSE	5	7,967,384	10,379,622
	d OTHER EXPENSES	6	63,589,484	52,755,012
	TOTAL EXPENSES		89,071,249	78,411,125
V	INCOME OVER EXPENDITURE	7	5,615,016	2,424,372
			5,615,016	2,424,372

R Gopalakrishnan & Co.
Firm No.00972S
Chartered Accountants

FOR HANDLOOM EXPORT PROMOTION COUNCIL

sd/-
G ANANTHAN
 Partner
 Membership No: 021916

sd/-
(R ANAND)
EXECUTIVE
DIRECTOR

sd/-
(V KUMAR)
CHAIRMAN

sd/-
(K N PRABHU)
VICE
CHAIRMAN

PLACE: CHENNAI
DATE: 07.08.2016

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE FOR THE
YEAR ENDED 31ST MARCH 2016

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015	
1 a	<u>REVENUE FROM OPERATIONS</u>				
	-Membership Fees		8,190,000		7,118,000
	-Participation Fees		68,070,556		58,760,250
	GRANT TO EXPORTERS				
	-NHDP SCHEMES		3,453,114		3,661,712
	-MDA SCHEMES		4,000,000		4,000,000
			83,713,670		73,539,962
	NET REVENUE FROM OPERATIONS		83,713,670		73,539,962
2 b	<u>OTHER INCOME</u>				
	<u>Interest income on</u>				
	Fixed Deposits		1,902,924		659,003
	Saving Bank Accounts		624,207		1,141,197
	Other Non Operating Income		3,861,957		2,644,028
	RENT		4,583,508		2,851,307
			10,972,596		7,295,535
	Notes;				
	Other Non Operating Income includes				
	a advertisement charges Rs 15,695				
	b.Subscription to newsletter,Internet enquiry club				
	Rs.21,72,000				
	c. Amenity charges & Maintenace - Rs.4,18,792				
	d application fee & service charges Rs.1,68,734				
	e. Excess grant of previous year now				
	transferred- Rs.847941				
3	<u>EMPLOYEE BENEFITS EXPENSE</u>				
	SALARY AND WAGES				
	OFFICE STAFF SALARY		14,727,898		12,617,729
	DIRECTOR REMUNERATION		NIL		NIL
	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS				
	CONTRIBUTION TO PROVIDENT FUND		1,166,495		1,163,088
	CONTRIBUTION TO EMPLOYEES STATE INS.FUND		NIL		NIL
	CONTRIBUTION TO OTHER FUNDS- GRATUITY		1,101,169		1,008,239

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015
	<u>OTHER EXPENSES</u>		
	WORKERS AND STAFF WELFARE	126,709	147,640
	BONUS	378,054	323,804
		17,500,325	15,260,500
4	<u>FINANCIAL COSTS:</u>		
a	<u>INTEREST EXPENSE</u>		
	BANK CHARGES	14,056	15,991
	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
		14,056	15,991
5	<u>DEPRECIATION AND AMORTZATION EXPENSES:</u>		
	DEPRECIATION	7,967,384	9,969,541
	ADDITIONAL DEPRECIATION	-	410,081
		7,967,384	10,379,622
6	<u>OTHER EXPENSES:</u>		
A	<u>ADMINISTRATIVE EXPENSE</u>		
	CAR EXPENSES	363,888	180,354
	FESTIVAL CELEBERATION EXPENSES	23,454	23,162
	SUBSCRIPTION/MEMBERSHIP FEES	17,641	18,259
	ELECTRICITY EXPENSES (OFFICE)	580,284	462,052
	ENTERTAINMENT EXP.	287,041	618,568
	RATES & TAXES, OTHER FEES, INSURANCE	287,595	64,237
	GENERAL EXPENSES	468,262	485,240

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015	
	LEGAL EXPENSES		140,576		74,150
	NEWS PAPER & PERIODICALS		86,079		7,251
	PAYMENT TO THE AUDITORS		80,500		62,800
	POSTAGE & COURIER EXP.		402,187		314,286
	PRINTING & STATIONERY		953,325		1,088,003
	REPAIR TO BUILDINGS & MAINTENANCE		511,952		390,790
	NHDP SCHEMES- EXHIBITIONS	33,987,882		27,023,656	-
	LESS: GRANT UTILIZED - EXHIBITIONS	22,463,919	11,523,963	20,567,513	6,456,143
	CHDS SCHEMES- FAIR & NHDP- THEME PAVILLION& FASHION SHOW	6,776,196		2,722,963	
	LESS: GRANT UTILIZED- PROJECTS	5,556,554	1,219,642	2,579,640	143,323
	MAI SCHEMES- EXHIBITIONS	64,836,625		58,505,396	
	LESS; GRANT UTILIZED - EXHIBITIONS	36,069,417	28,767,208	34,175,182	24,330,214
	MDA SCHEMES-EXHIBITIONS	8,207,382		6,498,240	
	LESS: GRANT UTILIZED- EXHIBITIONS	4,200,000	4,007,382	1,872,059	4,626,181
	DOMOTEX HANNOVER		1,158,130		936,025
	-ADVERTISEMENT IN ABROAD	1,196,578		789,750	
	LESS: GRANT UTILIZED - ADVT. ABROAD	717,947	478,631	473,850	315,900
	-WORKS SHOP SEMINAR	1,410,078		1,190,807	
	LESS: GRANT UTILIZED - WORKSHOP/SEMINAR	846,047	564,031	714,484	476,323
	IHGF (SPRING)		596,429		
	-MEMBERS EXPORT GRANT		4,000,000		4,000,000
	OFFICE AUTOMATION		668,093		
	NATIONAL HANDLOOM DAY		434,862		-
	-TRAVEL GRANT TO EXPORTERS		3,453,114		3,661,712
	REPAIR & MAINTENANCE (GENERAL) - AMC		260,455		129,939
	TELEPHONE EXP.		342,141		285,941
	FLOOD RELIEF		130,000		-
	CONFERENCE EXPENSES & TA to COMMITTEE MEMBERS		486,893		717,569
	TRAVELLING EXPENSES TA to OFFICERS STAFF		744,605		360,376
	HONORARIUM & SALARY TO CONTINGENT STAFF		551,121		348,390
	SHORT PAYMENT IN GRANTS		-		2,162,947
	ADVERTISEMENT CHARGES		-		14,877
			63,589,484		52,755,012

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016		FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015	
	<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		63,589,484		52,755,012

HANDLOOM EXPORT PROMOTION COUNCIL

ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2016

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015
	<u>PAYMENT TO THE AUDITORS AS</u>		
	AUDITOR		
	FOR TAXATION MATTERS	46,000	30,000
	FOR COMPANY LAW MATTERS		
	FOR MANAGEMENT SERVICES	23,000	22,800
	FOR OTHER SERVICES	11,500	10,000
	FOR REIMBURSEMENT OF EXPENSES		
	TOTAL	80,500	62,800
a	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	74,661,556	60,109,360
	TOTAL	74,661,556	60,109,360
C	BREAK UP OF CONSUMPTION		
	I <u>RAW MATERIALS;</u>		
	TOTAL CONSUMPTION	NIL	NIL
	INDIGENOUS	NIL	NIL

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 31ST MARCH 2016	FIGURES FOR THE PREVIOUS REPORTING PERIOD 31ST MARCH 2015
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
	IMPORTED	NIL	NIL
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
II	SPARE PARTS AND COMPONENTS		
	TOTAL CONSUMPTION	NIL	NIL
	INDIGENOUS	NIL	NIL
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
	IMPORTED	NIL	NIL
	VALUE	NIL	NIL
	% OF TOTAL	NIL	NIL
D	THE AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDENDS	NIL	NIL
E	EARNING IN FOREIGN EXCHANGE		
I	EXPORT OF GOODS ON FOB BASIS;	NIL	NIL
II	ROYALTY,KNOWHOW,PROFESSIONAL AND CONSULTANCY FEES;	NIL	NIL
III	INTEREST AND DIVIDENDS;	NIL	NIL
IV	OTHER INCOME;	NIL	NIL
	PRIOR PERIOD EXPENDITURE	NIL	NIL
	TOTAL	-	-

HANDLOOM EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2016

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.

- a. 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.

- b. Contingent liability (not provided in the books) : The Service tax department has raised demand against the council as follows

Demand Amount	Peroid	Appeal pending before
Rs.1,58,01,541/-	1.10.2005-6.7.2009	Service tax appellate tribunal.
Rs.48,85,480/-	2010-11	
Rs.4,67,267/-	2011-12	
Rs.15,333/-	2012-13	
Rs.3,00,000/-	Penalty	

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

Service Tax Payment: The Management is collecting service tax on Membership fees and remitting to service tax department.

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, administered 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 31.03.2016	Previous year ended 31.03.2015
Statutory Auditors	46000	30000
Internal Auditors	23000	20225
PF Auditors	11500	10000

3. Earning in Foreign Currency:

Particulars	Current year ended 31.03.2016	Previous year ended 31.03.2015
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 31.03.2016	Previous year ended 31.03.2015
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. 7,46,61,556/-	Rs. 6,01,0936/-
vii. Amount remitted in foreign currency on account of dividend	NIL	NIL

5. Detail of Prior period adjustment:

Particulars	Current year ended 31.03.2016	Previous year ended 31.03.2015
Income	NIL	NIL
Expenditure		
Excess provision made on Grant	NIL	NIL

6. Detail of Grant for the year 2015-16

Particulars	Ministry of Textiles		Ministry of Commerce & Industry- MDA Scheme code Activities & Assistance to Exporters	Ministry of Commerce & Industry- MAI Schemes
	Exhibitions including Grant to exporters	Other Projects		
Grant Received	1,32,41,800	12, 50,000	1,03,00,000	2,45,67,238
Grant Receivable	1,67,31,787	7,50,000	-	1,15,02,179
Total Grant	2,99,73,587	20,00,000	1,03,00,000	3,60,69,417
Grant Utilized	2,99,73,587	15,00,000	97,63,994	3,60,69,417
Refunded	Nil	5,00,000	-	-
Closing balance	NIL	NIL	5,36,006	-

7. Details of Gratuity Fund

Opening balance	2015-16	2014-15
Opening balance	46,84,427.00	38,76,188.00
Less : transfer to Gratuity Fund	Nil	2,00,000.00
Add: Provision for the year	11,01,169.00	10,08,239.00
Closing balance	57,85,596.00	46,84,427.00

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 Gopalakrishan & CO.
(Chartered Accountants)

sd/-
(R Anand)
Executive Director

sd/-
(V Kumar)
Chairman

sd/-
(K N Prabhu)
Vice Chairman

sd/-
(G Ananthan)
Partner

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 47th Annual General Meeting of the Council to be held on the 12th date of September 2016 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..... 2016.

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.

“ADDENDUM TO THE MEETINGS OF THE COUNCIL”

c). Extraordinary General Meeting of The Council

30.01.2016	1st Extraordinary General Meeting
03.03.2016	2nd Extraordinary General Meeting
29.03.2016	3rd Extraordinary General Meeting

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 Seventh Annual General Meeting of the Council to be held on 12th september 2016 at 12.00 Noon at the Premises of the Council.

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

