



TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored by Government of India)

AN ISO 9001 : 2015 CERTIFIED COMPANY



65th ANNUAL REPORT 2018-19



from farm to fashion

www.texprocil.org

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

COMMITTEE OF ADMINISTRATION 2018-2019

Dr. K V Srinivasan, Chairman
Shri Manoj Kumar Patodia, Vice Chairman
Shri Ujwal Lahoti (Member till 29.11.2018)
Shri R K Dalmia (Member till 29.11.2018)
Ms. Preeti M Sheth (Member till 29.11.2018)
Shri Arun Todi (Member till 29.03.2019)
Shri Umang Patodia
Shri D. L. Sharma
Shri Ketan Manek
Shri Tushar Ruparelia
Shri Prakash Shah
Shri K. Hari Thiagarajan
Shri Aditya Krishna Pathy
Ms. Mridula Ramesh
Shri M Sivakkannan
Shri Vijaykumar Agarwal
Shri S. K. Saraf
Shri Rajesh Mandawewala (Member till 28.01.2019)
Shri Umesh Lahoti (Member since 29.11.2018)
Shri Ashish Mehrishi (Member since 29.11.2018)
Shri Sanjay K Rath (Member since 29.11.2018)
Shri S. K. Khandelvia (Member since 28.01.2019)
Joint Secretary, Ministry of Textiles
Textile Commissioner
Shri Parag H. Udani
Shri P. Nataraj
Shri Sanjay Jain
Shri Maninarayan Velayutham
Shri Ashwin Chandran
Shri Vishnukumar Jalan
EXECUTIVE DIRECTOR
Dr. Siddhartha Rajagopal

AUDITORS

Nipun Sudhir & Associates
Chartered Accountants
505, Tulsiani Chambers, 5th Floor,
Free Press Journal Marg,
212, Nariman Point,
Mumbai - 400 021

INTERNAL AUDITORS

Ramesh C Shah & Co.
Chartered Accountants
Mumbai - 400 001

SOLICITORS

Mulla & Mulla & Cragie Blunt & Caroe.
Advocates, Solicitors & Notaries
Mumbai - 400 023

BANKERS

State Bank of India
Bank of Baroda
Punjab National Bank
ICICI Banking Corporation Ltd.
Yes Bank Ltd.



The Cotton Textiles Export Promotion Council

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400004

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 65th Annual General Meeting of the Members of the Council will be held at 11.30 A.M on Saturday, 21st September, 2019 at 'Gallery South', Hotel Four Seasons, Worli, Mumbai - 400013, to transact the following business: -

ORDINARY BUSINESS:

1. To receive and adopt the report of the proceedings of the Committee of Administration of the Council for the year 2018-19 as per Articles 30 (c) & 71 of the Articles of Association of the Council.
2. To receive and adopt the Audited Balance Sheet and Income & Expenditure Account of the Council together with 65th Report of the Committee for the year 2018-19, as per the Articles 30(c) & 71 of the Articles of Association of the Council.
3. To elect a Member of the Committee of Administration of the Council in place of Shri Umang Patodia in the category with an Export Qualification above Rs. 50 Crores who retires by rotation and is eligible for re-election.
4. To elect a Member of the Committee of Administration of the Council in place of Shri D L Sharma in the category with an Export Qualification above Rs. 50 Crores who retires by rotation and is eligible for re-election.
5. To elect a Member of the Committee of Administration of the Council in place of Shri Prakash Shah in the category with an Export Qualification above Rs. 50 Crores who retires by rotation and is eligible for re-election.
6. To elect a Member of the Committee of Administration of the Council in place of Shri K Hari Thiagarajan in the category with an Export Qualification above Rs. 15 Crores to Rs. 50 Crores who retires by rotation and is eligible for re-election.
7. To elect a Member of the Committee of Administration of the Council in place of Shri M Sivakkannan in the category with an Export Qualification above Rs. 15 Crores to Rs. 50 Crores who retires by rotation and is eligible for re-election.
8. To elect a Member of the Committee of Administration of the Council to fill the casual vacancy created in view of the resignation of Shri Arun Todi in the category with an Export Qualification between Rs. 5 Crores to Rs. 15 Crores.
9. To appoint Auditor of the Council to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
10. To consider any other business with the permission of the Chair.

By Order of the Committee

DR. SIDDHARTHA RAJAGOPAL
EXECUTIVE DIRECTOR
DIN: 06720149

Mumbai, 3rd August, 2019

65th Annual Report 2018-2019



Annexure to the Notice of the Annual General Meeting

Notes to Members on Election

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf and the proxy need not be a Member of the Council.
2. A proxy in order to be valid should be duly completed, stamped, signed and lodged at the Registered Office of the Council not later than 48 hours before the meeting.
3. The facility for voting, either through electronic voting system or ballot or polling paper shall be made available (excluding item No. 3 to 8 of ordinary business of the Notice) at the meeting.
4. The Register of Members of the Council will be closed from 12.09.2019 to 21.09.2019 (both days inclusive).
5. Members are requested to notify change of their address or email address.
6. Members having any queries on Accounts and operations of the Company are requested to send the same in writing before one week of the date of Annual General Meeting at the registered office of the Company or by email at info@texprocil.org so as to enable the management to keep the information ready at the meeting.
7. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting.
8. Ms. Deepa Gupta, practicing Company Secretary, Mumbai (M.No.20860, C.P.8168) has been appointed, as the Scrutinizer for conducting the e-Voting process in a fair and transparent manner.

E-VOTING PROCEDURE:

In Compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL (National Securities Depository Limited, an Agency appointed by the Council, as per Rule 20 of the Companies [Management & Administration] Amendment Rules, 2015), on resolutions only for Election of the members of the Committee of Administration of the Council, set forth in this Notice (item No.3 to 8 of ordinary business of the Notice).

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or www.texprocil.org.

The e-Voting period commences on September 18, 2019 (10:00 am) and ends on September 20, 2019 (5:00 pm). As per article 56(j) & 58(b) of the Articles of Association of the Council, voting for election of Committee members will be through electronic means and will close one day prior to the date of Annual General Meeting. During this period, members may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:



Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Open the attached PDF file viz., “e-Voting.pdf” received in the email, with your IEC (10 characters) as password. The said pdf file contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.

If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com

If you are still unable to get the password, you can send a request at evoting@nsdl.co.in mentioning your name, company name, registered address, IEC number.

2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
3. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
4. A new screen will open. You will have to enter your User ID, Password as initial password noted in Sr. 1 above and a verification code as shown on the screen.
5. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
6. Now, you will have to click on “Login” button.
7. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” whose voting cycle is in active status.
3. Select “EVEN” of “TEXPROCIL”.
4. Now you are ready for “e-Voting” as the voting page opens.
5. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Please note the following:

A person, whose name is recorded in the register of members as on the cut-off date i.e. 11.09.2019 only shall be entitled to avail the facility of e-Voting.

Any person, who becomes member of the Council or any member renewing membership with the Council, after dispatch of the Notice, but on or before the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

The Scrutinizer shall first unblock the votes cast through e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour of the candidates and submit the same to the Chairman who shall countersign the same and declare the result of the voting forthwith.

The result declared along with the report of the Scrutinizer shall also be placed on the website of TEXPROCIL www.texprocil.org and on the website of NSDL.

Other information:

- Your login id and password can be used by you exclusively for e-Voting on the resolutions placed by TEXPROCIL
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.



Report of The Committee of Administration of The Council for the Year 2018-2019

World Trade in 2019 is facing strong headwinds mainly on account of a sluggish global demand exacerbated by rising uncertainties due to growing trade tensions. Going forward, much would depend on how the trade tensions are addressed especially in areas relating to tariff escalation, retaliatory tariffs and ensuring that WTO commitments are upheld in both their letter and spirit. Coupled with the volatility in financial markets and tighter monetary policy conditions, the coming years present stiff challenges for global trade growth and output.

Coming to India, there is a strong belief that its economy is expected to grow around 7 per cent in FY19 and in 2020 on the back of policies emphasising overall development of the economy.



GREETING THE HON'BLE UNION MINISTER OF TEXTILES & WOMEN AND CHILD DEVELOPMENT

Hon'ble Union Minister of Textiles & Women and Child Development,
Smt. Smriti Zubin Irani being greeted by Dr. K V Srinivasan, Chairman, TEXPROCIL along
with Shri R K Dalmia, Past Chairman, TEXPROCIL (center), Shri D L Sharma, Committee
Member of TEXPROCIL (2nd from right) and Dr. Siddhartha Rajagopal, Executive Director,
TEXPROCIL (extreme right) at her office in New Delhi.

WORLD MERCHANDISE TRADE

In 2018, the value of world merchandise exports increased to US \$ 19.47 trillion from US \$ 17.73 trillion in 2017 i.e. a growth of 9.83%.

However, the share of textile and clothing in overall merchandise trade in 2018 decreased marginally to 4.11% from 4.28% in 2017 as shown in Table I due to strong headwinds on account of heightened trade tensions and a gloomy global economic outlook.

Table I: WORLD MERCHANDISE TRADE AND TEXTILE & CLOTHING EXPORTS

Category	Value in US \$ Billion		
	2016	2017	2018
World Merchandise Trade	16031	17732	19475
World Textile& Clothing Exports	730	760	801
% Share of Textile & Clothing in World Merchandise Trade	4.55%	4.28%	4.11%
% Growth in Merchandise Trade	-2.99%	10.61%	9.83%
% Growth in Textile & Clothing Exports	-1.96%	4.02%	5.45%

Source: WTO & GTA Estimates

IND-TEXPO 2019 INAUGURAL FUNCTION

Hon'ble Union Minister of Textiles & Women and Child Development, Smt. Smriti Zubin Irani delivering the inaugural address at IND-TEXPO 2019 held from 27-29 January 2019 and organised at Codissia Centre, Coimbatore, Tamil Nadu.



WORLD TRADE IN TEXTILE AND CLOTHING

The world trade in textile and clothing grew by 5.45% in 2018 over the previous year, reaching a level of USD 801 billion. Out of this, clothing accounted for 56% share of the world trade, while textile accounted for a 44% share.



GREETING THE SECRETARY, MINISTRY OF COMMERCE & INDUSTRY

Commerce Secretary, Shri Anup Wadhawan (center) being greeted by Shri Manoj Patodia, Vice Chairman, TEXPROCIL (left) and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (right) at his office in New Delhi.



DIRECTION OF REGIONAL TRADE

Regional flows in World Trade (Table II below) show an increasing trend as all the regions registered a positive growth in their trade during the period January-December 2018, as compared to the previous year.

Table II: Major Regional Flows in World Textile Trade					
Region	Value in US \$ Billion				
	2015	2016	2017	2018 (E)	% Growth (Y-O-Y)
Intra EU(28)	51.18	52.16	55.00	58.58	6.49%
Intra-Asia	87.88	84.98	88.90	93.00	4.62%
Asia to Europe	26.91	26.81	28.33	31.35	10.67%
Asia to North America	26.96	25.72	26.95	30.25	12.21%
Intra - North America	10.60	10.36	10.67	10.88	1.93%
North America to LAC	3.75	3.33	3.53	3.89	10.37%

Source: Upto 2017 WTO, 2018 figures are estimated by GTA, Geneva

An analysis of regional trade flows shows that Intra EU (28) registered a growth of 6.49% reaching a level of USD 58.58 billion in 2018. Intra-Asia trade grew by 4.62% reaching USD 93 billion.

Asia and Europe made significant positive contribution in 2018, growing by 10.67%, with trade between them being valued at USD 31.35 billion.

During this period, the trade between Asia and North America reported the highest growth of 12.21% reaching a level of USD 30.25 billion during 2018. Trade level between North America and Latin American Countries (LAC) grew by 10.37% in 2018. These trends indicate that the buoyancy in the US economy has led to strong import growth.



PAST CHAIRMEN @ TEXPROCIL EXPORT AWARDS 2017-18

Hon'ble Union Minister of Textiles & Women and Child Development, Smt. Smriti Zubin Irani being greeted by TEXPROCIL officials and Past Chairmen of the Council at the TEXPROCIL Export Awards 2017-18.



INDIA'S POSITION IN GLOBAL TEXTILE AND CLOTHING TRADE

The top ten suppliers of textile and clothing exported goods worth USD 550.33 billion to the world during the period January-December 2018, accounting for a share of 68.66% as shown in Table III.

Table III: MAJOR EXPORTER OF TEXTILES & CLOTHING					
Country	Billion United States Dollars			% Share	% Change
	2016	2017	2018	2018	2018/2017
World	730.33	759.69	801.14	100.00	5.45
China	257.32	258.46	266.54	33.27	3.12
Germany	30.72	35.09	38.89	4.85	10.82
Bangladesh	34.04	34.91	38.86	4.85	11.31
Vietnam	29.83	33.05	37.68	4.70	14.00
India	35.53	37.44	37.15	4.63	-0.77
Italy	32.17	33.99	36.47	4.55	7.29
Turkey	26.19	26.83	27.88	3.48	3.91
United States	23.61	25.89	27.14	3.38	4.82
Hong Kong	22.80	21.31	20.44	2.55	-4.08
Spain	16.53	18.64	19.28	2.40	3.43
Total of Top 10	508.74	525.61	550.33	68.66	

Source: GTA

OBSERVATIONS

- ❖ India ranked fifth as an exporter of textile and clothing during 2018 with a share of 4.63%. Export from India declined marginally by (-) 0.77% during the year 2018 from USD 37.44 billion in 2017 to USD 37.15 billion in 2018.
- ❖ China's textile and clothing exports grew by 3.12% and amounted to USD 266.54 billion. China is still leading in textile and clothing exports with a share of 33.27%.
- ❖ Exports from Bangladesh and Vietnam grew by 11.31% and 14% respectively during 2018.
- ❖ Exports from Italy, Turkey, United States and Spain also recorded positive growth during 2018.

MAJOR EXPORTERS OF TEXTILES

The top ten suppliers of textile exported goods worth USD 243.14 billion globally during the period January-December 2018, accounting for a share of 69.55% as shown in Table IV.

Table IV : MAJOR EXPORTERS OF TEXTILES					
Country	Billion United States Dollars			% Share	% Change
	2016	2017	2018	2018	2018/2017
World	312.40	329.19	349.29	100.00	6.10
China	107.89	112.43	121.48	34.77	8.04
United States	18.66	20.90	21.88	6.26	4.68
India	18.55	20.01	21.46	6.14	7.24
Germany	14.18	14.77	15.55	4.45	5.28
Italy	12.15	12.54	13.27	3.79	5.82
Turkey	11.43	12.04	12.57	3.59	4.40
South Korea	11.39	11.42	11.66	3.33	2.10
Taiwan	9.33	9.50	9.52	2.72	0.21
Pakistan	7.81	8.02	8.13	2.32	1.37
Vietnam	5.75	6.75	7.62	2.18	12.88
Total of Top 10	217.14	228.38	243.14	69.55	

Source: GTA

OBSERVATIONS

- ❖ World trade in textiles grew by 6.10% in 2018, rising from USD 329.19 billion during January-December 2017 to USD 349.29 billion during January-December 2018 as shown in Table IV.
- ❖ India, the 3rd largest exporter of textiles to the world after China and United States, exported textile goods worth USD 21.46 billion in January-December 2018 with a share of 6.14% in world trade in these items. India's textile exports in 2018 grew by 7.24%.
- ❖ China, the leading exporter of textiles to the world, reported a growth of 8.04% with an export level of USD 121.48 billion during January-December 2018. United States, the second largest exporter, reported a growth of 4.68% in 2018.
- ❖ Exports from Germany (ranked 4th) grew by 5.28% during January-December 2018.
- ❖ Italy, Turkey, South Korea, Taiwan, Pakistan and Vietnam reported growths of 5.82%, 4.40%, 2.10%, 0.21%, 1.37% and 12.88% respectively during the same period.



MAJOR IMPORTERS OF TEXTILES

The top ten importing countries had a cumulative share of 51.60% in world textile imports during the period January-December 2018 as shown in Table V.

Table V: MAJOR IMPORTERS OF TEXTILES					
Country	Billion United States Dollars			% Share	% Change
	2016	2017	2018	2018	2018/2017
World	263.61	279.74	298.29	100.00	6.63
United States	28.13	29.02	31.17	10.44	7.40
China	22.41	24.43	26.61	8.92	8.92
Vietnam	19.20	20.75	23.11	7.74	11.37
Germany	14.06	14.68	15.36	5.14	4.63
Bangladesh	9.73	10.92	12.60	4.22	15.38
Italy	9.35	9.85	10.24	3.43	3.95
Japan	8.46	8.68	9.27	3.10	6.79
Indonesia	7.75	8.23	9.16	3.07	11.30
Turkey	8.44	9.77	8.78	2.94	-10.13
United Kingdom	7.59	7.49	7.76	2.60	3.60
Total of Top 10	135.12	143.82	154.06	51.60	
Source: GTA					

OBSERVATIONS

- ❖ In 2018, world textile imports grew by 6.63% valued at USD 298.29 billion as shown in Table V.
- ❖ USA was the largest importer of textiles in 2018, with imports reaching a level of USD 31.17 billion.
- ❖ China was the 2nd leading importer of textiles in the world, reporting a growth of 8.92% with an import level of USD 26.61 billion during January-December 2018.
- ❖ Vietnam imported textiles worth USD 23.11 billion, marking a growth of 11.37%.
- ❖ Germany, Bangladesh, Italy, Japan, Indonesia and United Kingdom reported positive growth of 4.63%, 15.38%, 3.95%, 6.79%, 11.30% and 3.60% respectively during this period.
- ❖ Turkey reported a decline of (-) 10.13% during January-December 2018.

GLOBAL TRADE IN COTTON TEXTILE PRODUCTS

Table VI: Global Trade in Cotton Textile Products										
Category	Value in Billion United States Dollar						% Growth			
	2016		2017		2018		2017/2016		2018/2017	
	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton
Yarn	42.80	12.80	44.47	13.77	48.97	14.57	3.90	7.57	10.11	5.80
Fabrics	160.55	55.87	162.36	57.51	170.72	59.67	1.12	2.93	5.14	3.75
Madeups	86.48	45.14	90.22	46.60	94.41	48.45	4.32	3.23	4.64	3.96
TOTAL	289.83	113.81	297.05	117.88	314.10	122.69	2.49	3.57	5.73	4.08
Exports from India										
Yarn	5.01	3.21	5.47	3.45	6.14	3.93	9.18	7.47	12.24	13.91
Fabrics	4.91	2.04	5.09	2.11	5.13	2.35	3.66	3.43	0.78	11.37
Madeups	6.88	5.19	7.25	5.26	7.47	5.19	5.37	1.34	3.03	-1.33
TOTAL	16.80	10.44	17.81	10.82	18.74	11.47	6.01	3.63	5.22	6.00
India's Share in World Exports										
Yarn	11.71	25.08	12.30	25.05	12.54	26.97	-	-	-	-
Fabrics	3.06	3.65	3.14	3.67	3.00	3.94	-	-	-	-
Madeups	7.96	11.50	8.04	11.29	7.91	10.71	-	-	-	-
TOTAL	5.80	9.17	6.00	9.18	5.97	9.35	-	-	-	-

Source: GTA

OBSERVATIONS

- ❖ World textiles trade comprising Yarn, Fabrics and Made-up (all fibres) reported a growth of 5.73%, reaching a level of USD 314.10 billion during January-December 2018, with the trade in cotton textiles growing by 4.08% and reaching a level of USD 122.69 billion.
- ❖ Cotton made-ups (USD 48.45 billion) accounted for 39.49% share in global trade of cotton textiles while cotton fabrics (USD 59.67 billion) and cotton yarn (USD 14.57 billion) accounted for 48.63% and 11.88% of total world trade in these items, respectively.
- ❖ During this period India exported textile products (all fibers) worth USD 18.74 billion and cotton textile products worth USD 11.47 billion. Exports of these items increased by 5.22% and 6% over the previous year respectively.
- ❖ Global export of cotton yarn during January-December 2018 reached a level of USD 14.57 billion increasing from USD 13.77 billion marking a growth of 5.80%. Exports of all types of yarns from the world also grew by 10.11% during 2018.
- ❖ As the largest exporter, India's exports of cotton yarn reached a level of USD 3.93 billion increasing from USD 3.45 billion, growing by 13.91% during January-December 2018. Exports of all types of yarns from India too grew by 12.24% in 2018.
- ❖ India's exports of all fabrics grew by 0.78% increasing to USD 5.13 billion in January-December 2018 from USD 5.09 billion in January-December 2017. In case of cotton fabrics, India's exports reported a growth of 11.37% during 2018 and the global trade too showed a growth of 3.75%.
- ❖ India's exports of made-ups (all fibres) grew by 3.03% during the period January-December 2018. In the case of cotton made-ups, exports from India declined by (-) by 1.33%.
- ❖ Cotton made-ups dominated the Indian cotton textiles basket with a share of 45.25%, followed by cotton yarns (34.26%) and cotton fabrics (20.49%).



TEXTILE AND CLOTHING IMPORT TRENDS IN MAJOR MARKETS

TEXTILE AND CLOTHING IMPORT TRENDS IN USA

Table VII: USA Imports of Textile and Clothing					
Details	2016	2017	2018	Jan/May 2018	Jan/May 2019
Textiles (Bn. USD)	28.13	28.92	31.08	12.29	12.70
% Growth	-3.00%	2.80%	7.46%	4.50%	3.33%
Clothing (Bn. USD)	81.33	80.79	83.84	31.75	33.48
% Growth	-5.54%	-0.66%	3.77%	2.68%	5.44%
T & C (Bn. USD)	109.46	109.71	114.93	44.04	46.18
% Growth	-4.90%	0.22%	4.75%	3.18%	4.85%

Source: GTA, U.S. Department of Commerce, Bureau of Census

OBSERVATIONS

- ❖ Overall, the Textile and Clothing import in USA reported a growth of 4.75% during January-December 2018 valued at USD 114.93 billion as shown in Table VII.
- ❖ Textiles reported a growth of 7.46% in 2018, increasing from USD 28.92 billion during January-December 2017 to USD 31.08 billion during January-December 2018. Clothing imports have increased by 3.77% during the same period.
- ❖ During January-May 2019, US imports of Textiles has grown by 3.33% as compared to January-May 2018.
- ❖ Overall imports of Textile and Clothing in USA has recorded growth of 4.85% during January-May 2019 over the same period last year.



MEETING WITH THE SECRETARY, MINISTRY OF TEXTILES

Shri Manoj Patodia, Vice Chairman, TEXPROCIL (extreme right) and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (extreme left) along with Shri Ujwal Lahoti, Past Chairman, TEXPROCIL (2nd from right) in a meeting with Shri Raghavendra Singh, Secretary, Ministry of Textiles at New Delhi.

MAJOR EXPORTERS OF TEXTILE & CLOTHING TO USA

TABLE VIII : Top 10 Exporters of Textile and Clothing to USA									
Country	Value in Billion USD					% Growth		% Share	
	2016	2017	2018	Jan/May 2018	Jan/May 2019	Jan/Dec 2018/2017	Jan/May 2019/2018	2017	2018
World	109.46	109.71	114.93	44.04	46.18	4.75	4.85	100.00	100.00
China	39.44	38.95	40.48	13.9	14.00	3.92	0.71	35.50	35.22
Vietnam	11.06	11.85	12.63	4.90	5.50	6.58	12.24	10.80	10.98
India	7.59	7.82	8.12	3.54	3.80	3.83	7.34	7.12	7.06
Bangladesh	5.36	5.14	5.49	2.29	2.59	6.80	13.10	4.68	4.77
Mexico	5.16	5.38	5.38	2.18	2.16	0.00	-0.91	4.90	4.68
Indonesia	4.96	4.78	4.72	2.00	2.02	-1.25	1.00	4.35	4.10
Pakistan	2.75	2.8	2.91	1.20	1.29	3.92	7.50	2.55	2.53
Honduras	2.67	2.58	2.71	1.01	1.12	5.03	10.89	2.35	2.35
Cambodia	2.18	2.2	2.48	0.98	1.05	12.72	7.14	2.00	2.15
Italy	1.9	1.93	2.13	0.84	0.88	10.36	4.76	1.75	1.85

Source: GTA, U.S. Department of Commerce, Bureau of Census

OBSERVATIONS

- ❖ Overall, the Textile and Clothing import into USA grew by 4.75% during January-December 2018 reaching a level of USD 114.93 billion as shown in Table VIII.
- ❖ The T&C market in USA has grown by 4.85% in first five months of 2019, as shown in Table VIII.
- ❖ India ranked as the 3rd largest supplier after China and Vietnam in the USA market exporting textile and clothing products worth USD 8.12 billion during 2018, registering a growth of 3.83% over the previous year. Exports in the period January-May of 2019 grew by 7.34% over the same period last year.
- ❖ China continued to dominate the US T&C market with a share of 35.22% during 2018, although its growth during January-May 2019 registered only 0.71%
- ❖ Vietnam has been increasing its share in the USA T&C market (10.98%) rapidly with a growth rate of 6.58%. It exported T&C products worth USD 12.63 billion in 2018 and maintained its position as the second largest supplier after China. Exports in the period January-May of 2019 grew by 12.24%.
- ❖ Exports from Bangladesh grew by 6.80% during January-December 2018. During first five months of 2019, Bangladesh recorded highest growth with exports increasing by 13.10%.
- ❖ Indonesia reported a decline of (-) 1.25% during January-December 2018.
- ❖ Exports from Pakistan, Honduras, Cambodia and Italy also increased by 3.92%, 5.03%, 12.72%, and 10.36% respectively during the period January-December 2018.
- ❖ The top ten suppliers of textile and clothing to USA hold a collective share of 75.69% in textile and clothing imports.



MAJOR EXPORTERS OF TEXTILE TO USA

TABLE IX : Top 10 Exporters of Textile to USA									
Country	Value in Billion USD					% Growth		% Share	
	2016	2017	2018	Jan/May 2018	Jan/May 2019	Jan/Dec 2018/2017	Jan/May 2019/2018	2017	2018
World	28.13	28.92	31.08	12.29	12.70	7.46	3.33	100.00	100.00
China	11.22	11.68	12.79	4.71	4.74	9.50	0.63	40.38	41.15
India	3.92	4.11	4.26	1.75	1.83	3.64	4.57	14.21	13.70
Mexico	1.64	1.7	1.89	0.77	0.79	11.17	2.59	5.87	6.08
Pakistan	1.46	1.5	1.51	0.65	0.69	0.66	6.15	5.18	4.85
Canada	1.33	1.25	1.24	0.54	0.49	-0.80	-9.25	4.32	3.98
Turkey	0.95	1.08	1.21	0.50	0.51	12.03	2.00	3.73	3.89
South Korea	0.97	0.94	1.04	0.41	0.49	10.63	19.51	3.25	3.34
Germany	0.6	0.64	0.72	0.29	0.31	12.50	6.89	2.21	2.31
Japan	0.61	0.61	0.64	0.25	0.28	4.91	12.00	2.10	2.05
Italy	0.6	0.59	0.61	0.26	0.26	3.38	0.00	2.04	1.96

Source: GTA, U.S. Department of Commerce, Bureau of Census

OBSERVATIONS

- ❖ Textile imports into USA grew by 7.46% in 2018 and by 3.33% in the first five months of 2019, amounting to USD 31.08 billion and USD 12.70 billion respectively, as shown in Table IX.
- ❖ Export of textiles from India to USA grew by 3.64% during 2018, amounting to USD 4.26 billion. During the period January-May 2019, India's export of textiles registered a growth of 4.57%.
- ❖ China had the largest share of 41.15% in textile imports into USA. Its exports grew by 9.50% accounting for USD 12.79 billion of the total imports of USD 31.08 billion in 2018. In the period January-May 2019 however the growth rate has reduced to 0.63%.
- ❖ Textile exports from Mexico, Pakistan, Turkey, South Korea, Germany, Japan and Italy grew by 11.17%, 0.66%, 12.03%, 10.63%, 12.50%, 4.91% and 3.38% respectively during January-December 2018.
- ❖ In the period January-December of 2018, exports from Canada have declined by (-) 0.80%.
- ❖ The top ten suppliers of textiles have a collective share of 83.31% in the US textile imports.

TEXTILE AND CLOTHING IMPORT TRENDS IN EU (28)

Table X: EU (28) Imports of Textile and Clothing					
Details	2016	2017	2018	Jan/May 2018	Jan/May 2019
Textiles (Bn. USD)	32.18	33.90	36.06	15.67	15.47
% Growth	1.13%	5.34%	6.37%	10.98%	-1.27%
Clothing (Bn. USD)	90.02	93.30	98.76	39.16	39.39
% Growth	0.31%	3.64%	5.85%	11.14%	0.58%
T & C (Bn. USD)	122.20	127.20	134.82	54.83	54.86
% Growth	0.53%	4.09%	5.99%	11.10%	0.05%

Source: GTA, Eurostat

OBSERVATIONS

- ❖ EU (28) textile and clothing imports has increased by 5.99% during 2018 amounting to USD 134.82 billion as shown in Table X. Textile imports increased by 6.37% and clothing imports increased by 5.85% reaching USD 36.06 billion and USD 98.76 billion respectively.
- ❖ In January-May 2019, imports of textile and clothing to EU (28) grew marginally by 0.05% in which textile imports declined by (-) 1.27% and clothing imports grew by 0.58%.



TEXPROCIL EXPORT AWARDS 2017-18

Hon'ble Union Minister of Textiles & Women and Child Development, Smt. Smriti Zubin Irani addressing the audience at the TEXPROCIL Export Awards 2017-18 held on 3rd November 2018 in Mumbai.



MAJOR EXPORTERS OF TEXTILE & CLOTHING TO EU (28)

TABLE XI : Top 10 Exporters of Textile and Clothing to EU (28)									
Country	Value in Billion USD					% Growth		% Share	
	2016	2017	2018	Jan/May 2018	Jan/May 2019	Jan/Dec 2018/2017	Jan/May 2019/2018	2017	2018
World	122.20	127.20	134.82	54.83	54.86	5.99	0.05	100.00	100.00
China	41.84	42.42	43.89	15.95	15.79	3.46	-1.00	33.34	32.55
Bangladesh	17.04	17.86	19.64	8.45	9.04	9.96	6.98	14.04	14.56
Turkey	16.00	16.41	17.22	7.50	7.21	4.93	-3.86	12.90	12.77
India	8.64	8.84	9.15	4.39	4.15	3.50	-5.46	6.94	6.78
Pakistan	5.40	5.94	6.20	2.62	2.69	4.37	2.67	4.66	4.59
Cambodia	3.82	4.26	4.63	1.71	1.76	8.68	2.92	3.34	3.43
Vietnam	3.71	4.00	4.38	1.66	1.80	9.50	8.43	3.14	3.24
Morocco	3.08	3.28	3.52	1.54	1.49	7.31	-3.24	2.57	2.61
Tunisia	2.47	2.51	2.74	1.26	1.15	9.16	-8.73	1.97	2.03
Switzerland	1.66	1.74	1.97	0.83	0.77	13.21	-7.22	1.36	1.46

Source: GTA, Eurostat

OBSERVATIONS

- ❖ India ranked 4th after China, Bangladesh and Turkey, in the EU (28) textile and clothing market, exporting goods worth USD 9.15 billion during 2018 and registering a growth of 3.50% as shown in Table XI.
- ❖ China continued to be the leading supplier of textile & clothing into EU (28) with a share of 32.55 %, followed by Bangladesh with 14.56%, Turkey with 12.77% and India with 6.78% in the year 2018.
- ❖ Top ten exporters of textile and clothing had a collective share of 84.02% in EU (28) textile and clothing imports valued at USD 113.34 billion in 2018.
- ❖ Textile exports from Pakistan grew by 4.37% followed by Cambodia with 8.68% during January-December 2018.
- ❖ During the period January-December 2018, all the suppliers amongst the top ten registered a positive growth.
- ❖ In the period January-May 2019, countries like Bangladesh, Pakistan, Cambodia and Vietnam have recorded positive growth while India, Turkey and China showed a negative growth.

MAJOR EXPORTERS OF TEXTILE TO EU (28)

TABLE XII : Top 10 Exporters of Textile to EU (28)									
Country	Value in Billion USD					% Growth		% Share	
	2016	2017	2018	Jan/May 2018	Jan/May 2019	Jan/Dec 2018/2017	Jan/May 2019/2018	2017	2018
World	32.18	33.90	36.06	15.67	15.47	6.37	-1.27	100.00	100.00
China	10.82	11.39	12.51	5.28	5.56	9.83	5.30	33.59	34.69
Turkey	5.44	5.56	5.74	2.58	2.40	3.23	-6.97	16.40	15.91
India	2.94	3.18	3.37	1.49	1.37	5.97	-8.05	9.38	9.35
Pakistan	2.66	2.89	2.99	1.28	1.25	3.46	-2.34	8.52	8.29
United States	1.21	1.3	1.36	0.59	0.62	4.61	5.08	3.83	3.77
South Korea	1.22	1.24	1.32	0.58	0.55	6.45	-5.17	3.65	3.66
Switzerland	0.9	0.88	0.91	0.41	0.35	3.40	-14.63	2.59	2.52
Japan	0.72	0.77	0.85	0.37	0.37	10.38	0.00	2.27	2.35
Taiwan	0.49	0.52	0.51	0.23	0.21	-1.92	-8.69	1.53	1.41
Egypt	0.49	0.49	0.51	0.23	0.22	4.08	-4.34	1.44	1.41

Source: GTA, Eurostat

OBSERVATIONS

- ❖ As shown in Table XII, EU (28) textile imports increased by 6.37% valued at USD 36.06 billion during 2018.
- ❖ India, the 3rd largest supplier to the EU (28) had a share of 9.35%, exporting textile goods worth USD 3.37 billion during 2018. India reported a growth of 5.97% in 2018 over previous year. However, exports have declined by (-) 8.05% during January-May 2019.
- ❖ Exports from Pakistan, the 4th largest supplier reported a growth of 3.46% during 2018.
- ❖ Like USA, China leads the market in EU too, with a share of 34.69% in 2018, with an export level of USD 12.51 billion. China reported positive growth of 9.83% in January-December 2018. Exports have shown an increase of 5.30% during January-May 2019.
- ❖ Top ten exporters of textiles had a collective share of 83.36% in EU (28) textile imports valued at USD 30.07 billion in 2018.
- ❖ In the period January-May 2019, exports from countries like Turkey, India, Pakistan, South Korea, Taiwan and Egypt have declined.



EXPORT PERFORMANCE IN FISCAL YEAR 2018-19

Textiles and Clothing (T&C) is a key sector for many developing countries in terms of employment, income generation as well as foreign exchange earnings. However, the competitive landscape for the sector has been changing for several years. The most recent market developments throughout the entire supply chain, from fibres to retail distribution, have led to challenges in trade, labour adjustment, technology, innovation and other regulatory dimensions that determine the strategy to capture the trade opportunities.

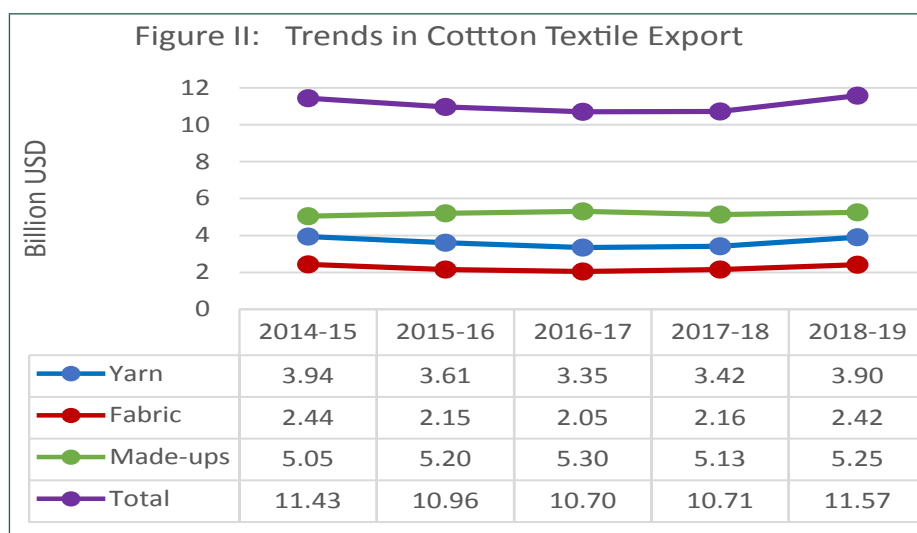
As India enters the third decade of the millennium, it seeks to further achieve growth through progressive policies focussed on manufacturing and exports of value-added products and products which are important for regional value chains. The textile industry in India is well endowed to provide impetus to this policy focus, as it is one of the largest in the world with a large raw material base and manufacturing strength across product lines. The industry contributes seven per cent of the industrial output (in value terms), 2 per cent of the GDP and 11 per cent of the export earnings and is the second largest employment provider (after agriculture), offering jobs to more than 45 million people.

Indian textile and clothing exports reached a level of USD 40.37 billion (Rs. 2.69 lakh crore) in 2018-19 with a growth of 2.8% over an achievement of USD 39.27 billion (Rs. 2.62 lakh crore) in T&C exports during the previous fiscal year 2017-18. External challenges including demand contraction, growing competition from emerging economies like Bangladesh, Sri Lanka & Vietnam which enjoy preferential duty access in key markets, along with internal challenges like rising costs of inputs and rationalisation of taxation system, are some of the key challenges to impeding the accelerated growth in the export sector.

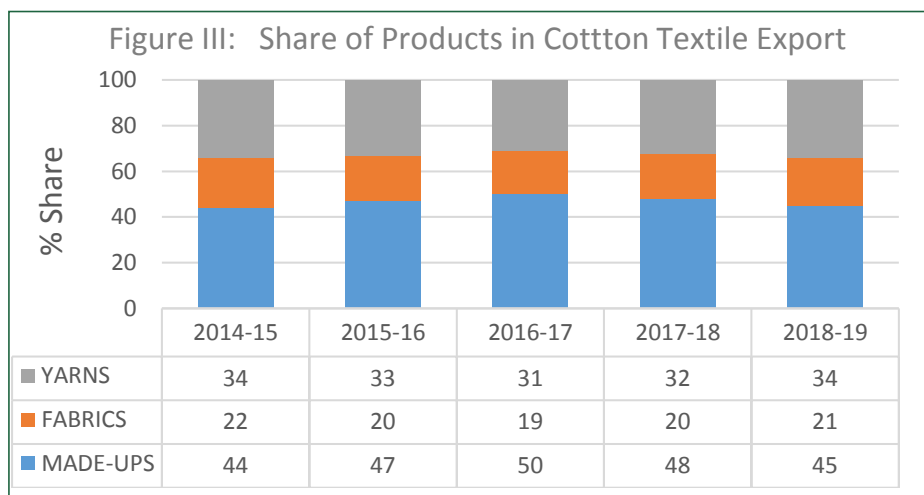
India has all the potential for growth in textile and clothing sector given its unwavering commitment to trade liberalization and deeper integration with the global economy. A comprehensive strategy needs to be devised in order to take advantage of the manufacturing opportunities offered by regional and global value chains, while at the same time retaining the necessary policy space to strengthen and develop the domestic industry.

Market and product diversification will continue to strengthen the country's ability to substantially enhance the share of textile and clothing exports in overall exports of the country as compared to other competing countries. Greater emphasis should also be placed on training of service related skills, such as design, material sourcing, quality control, logistics and distribution networks. Negotiating improved access in select markets where India's competitors have preferential access would also provide a major impetus to export growth.

EXPORTS OF COTTON TEXTILE



- ❖ In 2018-19, exports of cotton textile from India increased marginally by 7.95% to a level of USD 11.57 billion from USD 10.71 billion in the previous year. Cotton yarns grew by 13.74% in value terms during the period 2018-19, Cotton made-ups showed a growth of 2.34% in value terms. Cotton fabrics on the other hand, reported a growth of 12.07% during the fiscal year 2018-19 as shown in Figure II.



- ❖ In FY 2018-19, share of cotton made-ups was 45%, cotton fabrics was 21% and cotton yarns was 34% in the total exports of cotton textiles from India as shown in Figure III.

Table XIII: Exports of Cotton Textile												
Year	YARN			FABRICS			MADEUPS			TOTAL		
	Bn.	% Growth		Bn.	% Growth		Bn.	% Growth		Bn.	% Growth	
	USD		Share	USD		Share	USD		Share	USD		Share
2018-19	3.90	14	34	2.42	12	21	5.25	2	45	11.57	8	100
2017-18	3.42	2	32	2.16	5	20	5.13	-3	48	10.71	0	100
2016-17	3.35	-7	31	2.05	-5	19	5.30	2	50	10.70	-2	100
2015-16	3.61	-8	33	2.15	-12	20	5.20	3	47	10.96	-4	100
2014-15	3.94	...	34	2.44	...	22	5.05	...	44	11.43	...	100

Source: GTIS /MOC

Table XIV: Exports of Cotton Textile (Inclusive of Cotton Fibre)									
Year	COTTON FIBRE			TOTAL COTTON TEXTILES			TOTAL COTTON TEXTILES (INCL. RAW COTTON)		
	Billion		%	Billion		%	Billion		%
	INR	USD	Growth	INR	USD	Growth	INR	USD	Growth
2018-19	146.27	2.10	11.11	808.40	11.57	8.03	954.67	13.67	8.49
2017-18	121.56	1.89	15.95	690.76	10.71	0.09	812.32	12.60	2.19
2016-17	109.82	1.63	-15.98	717.03	10.70	-2.37	826.85	12.33	-4.42
2015-16	128.21	1.94	2.11	716.78	10.96	-4.11	844.99	12.90	-3.23
2014-15	116.43	1.90	...	699.15	11.43	...	815.58	13.33	...

Source: GTIS / MOC

- ❖ Export of cotton fibre, from India has increased by 11.11% during the fiscal year 2018-19 in dollar terms. Exports of cotton textile (including Cotton) recorded a growth of 8.49% during the last fiscal year reaching a level of US\$ 13.67 billion.



MAJOR DESTINATIONS FOR EXPORT OF COTTON TEXTILE FROM INDIA

Table XV: Top 15 Destinations for export of Cotton Textile from India								
Rank	Country	Million United States Dollars			% Share			% Change
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	
	World	10696.09	10715.41	11567.60	100.00	100.00	100.00	7.95
1	United States	2627.22	2593.02	2751.87	24.56	24.19	23.78	6.12
2	China	1097.79	906.53	1312.27	10.26	8.46	11.34	44.75
3	Bangladesh	995.88	1134.50	1265.05	9.31	10.58	10.93	11.50
4	UAE	524.29	370.97	389.66	4.90	3.46	3.36	5.03
5	Sri Lanka	343.04	334.42	357.78	3.20	3.12	3.09	6.98
6	Germany	371.91	353.17	286.39	3.47	3.29	2.47	-18.90
7	UK	308.59	285.89	283.37	2.88	2.66	2.44	-0.88
8	South Korea	203.62	214.25	251.13	1.90	1.99	2.17	17.21
9	Pakistan	233.52	291.81	236.85	2.18	2.72	2.04	-18.83
10	Egypt	157.88	209.66	234.82	1.47	1.95	2.02	12.00
11	Italy	219.34	223.44	203.91	2.05	2.08	1.76	-8.74
12	Vietnam	107.86	106.12	168.06	1.00	0.99	1.45	58.36
13	Portugal	150.73	177.07	151.98	1.40	1.65	1.31	-14.16
14	Peru	110.82	136.59	134.36	1.03	1.27	1.16	-1.63
15	Australia	139.44	134.77	132.82	1.30	1.25	1.14	-1.44

Source: GTIS / MOC

OBSERVATIONS

- ❖ As can be seen in Table XV, USA continued to be the major export destination in 2018-19 for exports of cotton textiles from India with a share of 23.78% followed by China and Bangladesh with shares of 11.34% and 10.93% respectively.
- ❖ 70.46% of the total cotton textile exports accounting for USD 8.16 billion was exported to the top 15 listed countries.
- ❖ Exports to UAE, Sri Lanka, South Korea, Egypt and Vietnam has increased by 5.03%, 6.98%, 17.21%, 12% and 58.36% respectively during this period.
- ❖ Exports to Germany, UK, Pakistan, Italy, Portugal, Peru and Australia have declined during this period.

DIRECTION OF TRADE

Table XVI: Regions Importing Cotton Textile from India

Region	Billion United States Dollars			% Share			% Growth	% Growth
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2017-18	2018-19
World	10.70	10.71	11.57	100.00	100.00	100.00	0.28	7.95
North America (USA /Canada)	2.75	2.71	2.86	25.72	25.27	24.71	-1.45	5.53
SAARC	1.63	1.82	1.95	15.24	16.97	16.85	11.65	7.14
EU(28)	1.81	1.80	1.64	16.93	16.79	14.17	-0.55	-8.88
Hong Kong / China	1.19	0.96	1.35	11.13	8.95	11.66	-19.32	40.62
African Zone	0.95	1.10	1.25	8.88	10.26	10.80	15.78	13.63
Middle East	0.81	0.64	0.64	7.57	5.97	5.53	-20.98	0.00
ASEAN	0.41	0.40	0.55	3.83	3.73	4.75	-2.43	37.50
South America/ Mexico	0.37	0.42	0.44	3.46	3.91	3.80	13.51	4.76
CIS	0.03	0.03	0.03	0.28	0.27	0.25	0.00	0.00

Source: GTA/MOC

OBSERVATIONS

- ❖ A Region-wise analysis (Table XVI) shows that North American region (USA/Canada) recorded the highest level of import of cotton textiles from India amounting to USD 2.86 billion.
- ❖ SAARC ranked second amongst the regions with imports amounting to USD 1.95 billion commanding a share of 16.85%. Imports during the fiscal year 2018-19 increased by 7.14%.
- ❖ EU (28) ranked third amongst the regions with imports amounting to USD 1.64 billion commanding a share of 16.79%. However export to the region fell by (-) 8.88% in the fiscal year 2018-19.
- ❖ Hong Kong/China imports grew by 40.62% amounting to USD 1.35 billion marking a share of 11.66% during fiscal 2018-19.
- ❖ Imports into the African Zone region are growing in value terms since the last three fiscal years.
- ❖ India's export of cotton textile to ASEAN grew by 37.50% in the fiscal year 2018-19 from USD 0.40 billion during 2017-18 to USD 0.55 billion.
- ❖ South America/Mexico imports from India grew by 4.76% amounting to USD 0.44 billion with a share of 3.80% during fiscal 2018-19.
- ❖ CIS Region had the lowest level of imports from India with a share of 0.25%.



LEADING MARKETS FOR COTTON TEXTILE PRODUCTS

COTTON YARN - (Value)

Table XVII: Top 10 Destination for export of Cotton Yarns from India - (Value)								
Rank	Country	Million United States Dollars			% Share			% Change
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2019/2018
	World	3352.25	3424.61	3895.41	100.00	100.00	100.00	13.74
1	China	1050.88	858.82	1272.55	31.34	25.07	32.66	48.17
2	Bangladesh	594.69	678.96	738.44	17.74	19.82	18.95	8.76
3	Pakistan	215.10	255.61	203.23	6.41	7.46	5.21	-20.49
4	Egypt	133.20	172.04	181.79	3.97	5.02	4.66	5.66
5	Vietnam	76.77	79.79	137.48	2.29	2.32	3.52	72.30
6	South Korea	109.69	113.07	136.21	3.27	3.30	3.49	20.46
7	Portugal	126.92	156.79	132.38	3.78	4.57	3.39	-15.56
8	Peru	100.22	123.81	120.58	2.98	3.61	3.09	-2.60
9	Sri Lanka	70.89	73.96	79.79	2.11	2.15	2.04	7.88
10	Colombia	62.89	61.39	69.36	1.87	1.79	1.78	12.98

Source: GTIS / MOC

COTTON YARN- (Quantity)

Table XVIII: Top 10 Destination for export of Cotton Yarns from India - (Quantity)								
Rank	Country	Million Kilograms			% Share			% Change
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2019/2018
	World	1203.25	1097.43	1258.94	100.00	100.00	100.00	14.71
1	China	455.03	315.37	464.99	37.81	28.73	36.93	47.44
2	Bangladesh	192.66	207.51	224.86	16.01	18.90	17.86	8.36
3	Pakistan	66.15	79.05	60.89	5.49	7.20	4.83	-22.97
4	Egypt	45.87	55.23	57.92	3.81	5.03	4.60	4.87
5	Vietnam	25.34	25.76	43.24	2.10	2.34	3.43	67.85
6	Portugal	45.32	50.22	41.93	3.76	4.57	3.33	-16.50
7	South Korea	34.99	34.58	41.38	2.90	3.15	3.28	19.66
8	Peru	36.12	40.62	40.05	3.00	3.70	3.18	-1.40
9	Colombia	23.61	21.33	23.88	1.96	1.94	1.89	11.95
10	Sri Lanka	20.31	19.35	20.81	1.68	1.76	1.65	7.54

Source: GTIS / MOC

OBSERVATIONS

- ❖ Exports of cotton yarn from India to the world recorded growth of 13.74% in value terms reaching a level of USD 3.89 billion in FY 2018-19. Exports to the top 10 countries amounted to USD 3.07 billion contributing a collective share of 78.79% as shown in Table XVII.
- ❖ China continued to be the major market for Cotton Yarn from India in 2018-19 with a share of 32.66%. Exports of cotton yarn to China recorded a growth of 48.17% in value in FY 2018-19 rising to a level

of USD 1.27 billion from USD 0.85 billion in the previous year. Bangladesh was another important market for cotton yarn with a share of 18.95%. Pakistan, Egypt, Vietnam, South Korea, Portugal, Peru, Sri Lanka and Colombia were the other leading markets.

- ❖ In volume terms, the world imported 1,258.94 million kilograms of cotton yarn from India during fiscal year 2018-19 as shown in Table XVIII. Exports increased by 14.71% over the previous fiscal year. Demand from Bangladesh, Egypt, Vietnam, South Korea, Colombia and Sri Lanka grew by 8.36%, 4.87%, 67.85%, 19.66%, 11.95% and 7.54% respectively.
- ❖ China continued to be the leading importer of cotton yarns with 464.99 million kilograms. Exports to China have increased by 47.44% in volume terms.
- ❖ Exports to countries like Pakistan, Portugal and Peru declined in quantity terms by (-) 22.97%, (-) 16.50% and (-) 1.40% respectively. Collectively, the top ten importing countries imported cotton yarns upto a level of 1019.95 million kilograms in 2018-19 accounting for 80.98% of India's cotton yarn exports to the world.

COTTON FABRICS

Table XIX: Top 10 Destination for export of Cotton Fabrics from India

Rank	Country	Million United States Dollars			% Share			% Change
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	
	World	2047.91	2162.33	2423.39	100.00	100.00	100.00	12.07
1	Bangladesh	392.09	444.70	503.20	19.14	20.56	20.76	13.15
2	Sri Lanka	248.62	236.54	258.97	12.14	10.93	10.68	9.48
3	United States	128.45	153.69	209.78	6.27	7.10	8.65	36.49
4	Senegal	88.55	106.71	107.42	4.32	4.93	4.43	0.66
5	South Korea	82.00	87.15	99.68	4.00	4.03	4.11	14.37
6	UAE	112.88	89.29	82.07	5.51	4.12	3.38	-8.08
7	Nepal	45.08	40.13	63.70	2.20	1.85	2.62	58.73
8	Togo	42.85	42.74	57.71	2.09	1.97	2.38	35.02
9	Thailand	27.65	32.86	56.41	1.35	1.51	2.32	71.66
10	Egypt	22.44	34.80	49.69	1.09	1.60	2.05	42.78

Source: GTIS / MOC

OBSERVATIONS

- ❖ Bangladesh was the leading market for cotton fabrics during 2018-19 with a share of 20.76%, followed by Sri Lanka and USA with shares of 10.68% and 8.65% respectively. However in the same period the demand for Indian cotton fabrics has increased in USA with exports growing by 36.49% followed by South Korea with growth of 14.37% respectively.
- ❖ Countries like Senegal, Nepal, Togo, Thailand and Egypt showed an increase in exports. These countries grew by 0.66%, 58.73%, 35.02%, 71.66% and 42.78% respectively.
- ❖ Export to the top ten importing countries was USD 1.48 billion in 2018-19 accounting for a collective share of 61.38% as shown in Table XIX.



COTTON MADE-UPS

Table XX: Top 10 Destination for export of Cotton Made-ups from India

Rank	Country	Million United States Dollars			% Share			% Change
		2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	
	World	5295.92	5128.46	5248.81	100.00	100.00	100.00	2.34
1	United States	2481.35	2423.19	2520.91	46.85	47.24	48.02	4.03
2	UAE	405.58	275.25	305.19	7.65	5.36	5.81	10.87
3	UK	277.27	256.48	253.05	5.23	5.00	4.82	-1.33
4	Germany	284.69	266.33	206.48	5.37	5.19	3.93	-22.47
5	Australia	131.47	127.07	124.46	2.48	2.47	2.37	-2.05
6	France	120.39	123.85	116.49	2.27	2.41	2.21	-5.94
7	Italy	124.17	122.32	115.93	2.34	2.38	2.20	-5.22
8	Canada	115.52	112.7	103.69	2.18	2.19	1.97	-7.99
9	Spain	90.29	105.29	101.44	1.70	2.05	1.93	-3.65
10	Netherlands	112.9	74.73	83.21	2.13	1.45	1.58	11.34

Source: GTIS / MOC

OBSERVATIONS

- ❖ USA continued to be the leading market for Cotton Made-ups in 2018-19 with a share of 48.02%.
- ❖ Export of Indian cotton made-ups to UAE has increased by 10.87% from USD 275.25 million in the year 2017-18 to USD 305.19 million in the year 2018-19.
- ❖ Export to Netherlands grew by 11.34% in the year 2018-19. However, export to UK, Germany, Australia, France, Italy, Canada and Spain declined as shown in Table XX.

ACTIVITIES UNDERTAKEN BY THE COUNCIL FOR THE YEAR 2018-2019

The Council participated in the following international trade fairs and exhibitions in the fiscal year 2018-19

TRADE FAIRS / EXHIBITIONS

- ❖ 15th Int'l Istanbul Yarn Fair, Turkey (14-17 April, 2018)
- ❖ Preview in Seoul, South Korea (5-7 September, 2018)
- ❖ Heimtextil Russia 2018, Moscow, Russia (18-20 September, 2018)
- ❖ Premiere Vison, Paris (19-21 September, 2018)
- ❖ Intertextile Shanghai Apparel Fabrics, Shanghai, China (27-29 September, 2018)
- ❖ Yarn Expo, Shanghai, China (15-17 October, 2018)
- ❖ Intex South Asia 2018 Colombo, Sri Lanka (14-16 November 2018)
- ❖ 18th Vietnam Int'l Textile & Garment Industry (VTG) Exhibition, Ho Chi Minh City, Vietnam (21-24 November, 2018)
- ❖ Irantex 2018, Tehran, Iran (2-5 December, 2018)
- ❖ Heimtextil 2019 Fair, Frankfurt, Germany, (8-11 January, 2019)
- ❖ Colombiatex, Medellin City, Colombia (22-24 January, 2019)
- ❖ Reverse Buyer Seller Meet, IND-TEXPO, Coimbatore, India (27-29 January, 2019)
- ❖ 16th Int'l Istanbul Yarn Fair, Turkey (28 February - 2 March, 2019)
- ❖ Preview In Daegu 2019, Daegu, South Korea (6-8 March, 2019)
- ❖ Yarn Expo, Shanghai, China (12-14 March, 2019)

TRADE DELEGATIONS/CONFERENCES/MEETINGS/PRESENTATION-OVERSEAS

- ❖ Trade delegation to South Korea (11-15 June, 2018)
- ❖ Imported Yarn Forum Hangzhou City, China (21-22 June, 2018)
- ❖ Trade delegation to Dhaka (21-22 July, 2018)
- ❖ Trade delegation to China (22-28 August, 2018)
- ❖ Trade delegation to Japan (14-18 February, 2019)

VISIT OF OVERSEAS DELEGATION TO INDIA

- ❖ Visit of South Korean Trade Delegation, New Delhi (25-27 June, 2018)

CONFERENCE/SEMINARS AND WORKSHOPS IN INDIA

- ❖ Interactive meeting on export trends in cotton textile, Export Promotion Schemes, Banking and GST related issues, Coimbatore (10 August 2018)
- ❖ Seminar on "Potential to Export Textiles to South Korea", Karur, Tamil Nadu (11 August, 2018)
- ❖ Presentation on "Export Promotion & Trade opportunities" at Amravati, Vijayawada (20 November, 2018)



TRADE FAIRS / EXHIBITIONS

15TH INT'L ISTANBUL YARN FAIR, TURKEY (14-17 APRIL, 2018)

The Council participated in the 15th International Istanbul Yarn Fair which was held at the Tuyap Fair Convention & Congress Center Istanbul, Turkey from April 14 to 17, 2018. The participation in the fair was partially funded by the Government under the MAI scheme. 22 Indian companies participated in the fair through TEXPROCIL showcasing their products to the international visitors. The Council also had a booth for itself which served as an information centre. International Istanbul Yarn Fair, which is organized annually, has become very successful and the world's most comprehensive yarn fair. The fair attracts buyers from various locations in Turkey and from more than 77 countries.

Mr. Purnojyoti Mukherjee, Consul General of India in Istanbul Turkey inaugurated the Indian Pavilion at the fair and interacted with all the Indian companies participating in the fair. Buyers from many countries including China, Iran, Ukraine, Russia, Tunisia, Egypt and Turkey had visited the fair. All the Indian companies reportedly benefited by participating in the fair. Most of the exhibitors were happy with the footfall at the fair and many of them have established good contact with the international buyers. Turkey continues to be a lucrative market for Indian Cotton textile products. Exports to this country can be increased if the products are of high quality and priced competitively. In the likely event of a reduction in duties on Indian textiles especially fabrics by Turkey, Turkey promises to be an attractive market for Indian Cotton textiles.

PREVIEW IN SEOUL, SOUTH KOREA (5-7 SEPTEMBER, 2018)

The Council participated in "PREVIEW IN SEOUL-2018" held in South Korea from September 5-7, 2018. "Preview In Seoul" is an established trade fair which takes place every year. The industry sectors covered in this fair are textiles (including yarn), home textiles and fabrics. The Council had a booth at the fair which served as an information centre. Also samples of some of the members were displayed in the Council's booth. The Council's booth received enquiries from buyers both from South Korea and other countries for various products like cotton yarn, fabrics, home textiles, synthetic yarns and fabrics which were disseminated to the members.

The Council will continue to make all efforts in the future to enhance exports of cotton textile to South Korea as part of its strategy to diversify exports into new markets.

HEIMTEXTIL RUSSIA 2018, MOSCOW, RUSSIA (18-20 SEPTEMBER, 2018)

Heimtextil Russia is the main trade fair for home and interior textiles in Russia. The fair this year was held in IEC Crocus Expo in Moscow from September 18-20, 2018. The Council's officials visited Moscow during the fair for making a comprehensive assessment of the opportunities available for Indian exporters for increasing the market access in the textile sector.

Apart from meeting importers/ traders in and around Moscow, the Council's Executive Director, Dr. Siddhartha Rajagopal made a presentation on 19th September 2018 at the fair on "Advantages of sourcing Indian fabrics and home textiles for the Hospitality Segment" at a session dedicated to the 'Hospitality sector and textile equipment of the Hotels'. The idea was to disseminate information amongst the Russian importers regarding the capabilities of Indian exporters to meet their sourcing requirements in the hospitality, contract and institutional segments. The presentation was well received by the trade visitors attending the fair and many of them enquired at the Council's booth for sourcing from India.

Along with the Council, four other Indian companies participated at the Heimtextil Russia Fair. These companies exhibited products like furniture fabrics, fabrics for interior decoration, bed/bath textiles, kitchen textiles, carpets and textile flooring etc. The organizers offered the Council an information booth of 9 sqm at the exhibition. The effort was to understand the home textile market in Russia and get inputs for scaling up the level of participation at the fair in the future editions.

PREMIERE VISON, PARIS (19-21 SEPTEMBER, 2018)

The Council participated at Premiere Vision Fair held at Paris, France (PV Paris) from 19 to 21 September 2018. Visitors at the Council's information stand were keen to source value added cotton yarn and processed fabrics from India. The Première Vision provides a unique platform for business meetings and exchanges between buyers and fashion makers. It provide opportunities for exhibitors and designers to showcase the trends of the fashion world in the coming season. 42 Indian companies exhibited at this edition of PV Paris, displaying value added Yarns, Fabrics, Accessories and Designs. Feedback from the Indian exhibitors indicate that the overall quality of the visitors / importers was better than the previous year edition of this Fair.

INTERTEXTILE SHANGHAI APPAREL FABRICS, SHANGHAI, CHINA (27-29 SEPTEMBER, 2018)

In order to showcase the presence of the Indian suppliers in the Chinese market and to facilitate India's export of cotton Fabrics, the Council organized a group participation of its Members at Intertextile Shanghai Apparel Fabrics Fair, Shanghai, China from 27th to 29th September, 2018.

7 Companies exhibited at India Pavilion in 'InterTextile Shanghai Apparel Fabrics fair', held at National Exhibition and Convention Centre (Shanghai), China.



TEXPROCIL @ HEIMTEXTIL RUSSIA 2018

Dr. Siddhartha Rajagopal,
Executive Director,
TEXPROCIL (extreme right)
interacting with Russian
visitors during the Council's
participation at Heimtextil
Russia held during
September 2018.



YARN EXPO, SHANGHAI, CHINA (15-17 OCTOBER, 2018)

To facilitate increase in India's export of cotton yarn, the Council organized a group participation of Members at Yarn Expo Fair, Shanghai, China from 15 to 17 October, 2018. 54 Companies exhibited at India Pavilion at 'Yarn Expo', held at the National Exhibition and Convention Center (NECC) Shanghai, China. This was one of the events supported by the Ministry of Commerce with limited funding under MAI scheme.

During the Fair, it was observed that, price gap between offer prices from Indian suppliers and asking price by the Chinese importers has narrowed down indicating willingness to negotiate mutually agreeable price levels for various yarn counts. As this edition of the Fair was delinked from InterTextile Apparel Fabrics Fair, visitor turnout from overseas as well as different Provinces of China was less than normal.

According to visitors from the US, most of the Chinese exporters are already offering discount upto the level of 50% of additional tariff for importing from China so as to equally share the additional tariff of 10%. However, if the tariff is further increased, Chinese companies as well as US companies will not be able to share the total burden and also will not be able to pass it on to the customers at retail level. Hence, they are already keen to increase their sourcing from other supplying countries.

Chinese exporters are also keenly looking at various options, including outward processing in some of the Asian countries so as to qualify for country of origin at third country and export to US customers.

INTEX SOUTH ASIA 2018 COLOMBO, SRI LANKA (14-16 NOVEMBER 2018)

Since its launch in 2015, Intex South Asia has positioned itself as a focused networking platform for the global textile and apparel market. The Indian textile industry can benefit from the intra-regional trade brought about by regional cumulation of Rules of Origin in Sri Lankan market. Considering this fact, TEXPROCIL had organized an India Pavilion in the fourth edition of Intex South Asia 2017 held from 14th - 16th November 2018 at Bandaranaike Memorial International Conference Hall (BMICH), Colombo, Sri Lanka.



TEXPROCIL @ YARN EXPO, SHANGHAI 2018

A glimpse of India Pavilion set up by TEXPROCIL at Yarn Expo, held at Shanghai, China during October 2018.

H. E. Mr. Taranjit Sandhu, High Commissioner, High Commission of India - Colombo, Sri Lanka and Ms Indira Malwatte, Chairperson & Chief Executive of Export Development Board (EDB) jointly inaugurated INTEX South Asia on 14th November 2018. H.E. Mr. Tan Yang Thai, High Commissioner of Malaysia to Sri Lanka, and Mr. Sharad Amalean, Chairman JAAF, along with the group of VIP delegates from various countries including Mr. Ujwal Lahoti, Chairman, TEXPROCIL were the Guest of Honour at the inaugural ceremony.

The current edition of Intex South Asia saw participation of 200+ companies, out of which the Indian pavilion saw participation by 60 companies followed by the national pavilions of China and Taiwan. The Council set up an information booth measuring 18 sqm. at the fair, which received a lot of trade enquiries that were circulated amongst the members.

The Council was invited to the networking initiatives undertaken at the fair including 'Fashion Fiesta' – fashion event and 'Textile 4.0 – South Asia Dialogue' – an interactive Seminar. Mr. Ujwal Lahoti, Chairman, TEXPROCIL was invited to the interactive seminar to represent the Indian side along with other key representatives from Pakistan, Bangladesh and Sri Lanka. The participants had a dialogue on the 'Prospects of South Asian Trade and Cooperation'. The discussions were well received by all those present.

18TH VIETNAM INT'L TEXTILE & GARMENT INDUSTRY (VTG) EXHIBITION, HO CHI MINH CITY, VIETNAM (21-24 NOVEMBER, 2018)

The Council participated in the Vietnam International Textiles & Garment (VTG) Industry exhibition held in Ho Chi Minh City, Vietnam from 21st to 24th November, 2018 with 10 companies. With many bilateral FTAs, Vietnam has established itself as one of the significant garment making nations in the world and the Council was participating in this fair for the fifth consecutive year. The event was inaugurated by the Consul General at Ho Chi Minh City, Dr. K. Srikar Reddy along with other dignitaries from the Vietnamese textile industry. An exclusive B2B networking session was also organised by the CGI and Texprocil in Hotel Saigon Prince during the second day of the exhibition where local buyers were invited and they interacted with the Indian companies. The Council received over 50 enquiries at its stall for cotton yarn and cotton & blended fabrics and these were distributed to trade. The visitors were from Vietnam, Korea, China and Thailand among others.



TEXPROCIL @ VTG NOVEMBER 2018, HO CHI MINH CITY, VIETNAM

Consul General of India to Ho Chi Minh City
Dr. K. Srikar Reddy
(5th from right) visiting the TEXPROCIL Stall in Vietnam Textile and Garment Industry Exhibition held in Ho Chi Minh City during November 2018.



IRANTEX 2018, TEHRAN, IRAN (2-5 DECEMBER, 2018)

The Council participated in IRANTEX 2018 held in Tehran, Iran from December 2 to 5, 2018. 15 Companies participated in IRANTEX through the Council. The participation was partially funded by the Government under the MAI scheme.

On the first day of the fair, Minister, Dr. Maleki, who is a Member of Industries Commission of Parliament, Iran and Mrs. Nasrolazadeh, Textile Advisor to the Ministry of Industries visited the fair. They visited the Council's booth. Shri A. Ravi Kumar, briefed the Minister about the Council, its role and the cotton textile trade between India and Iran along with need to facilitate the payment mechanism. The Minister said, the Government of Iran is working with the Indian Government to put in place a mechanism at the earliest. He said, the Iranian Government is also under pressure from the Iranian buyers to introduce the payment mechanism so that they can buy textiles from India.

Iran is a good market for yarn, fabrics, madeups and technical textiles. Contrary to expectations, the number of visitors at the fair was very good. On all 4 days of the fair, there were large number of buyers at the fair including the last day. At times, some of the Companies found it difficult to manage the increasing flow of visitors in their booth. The Council's booth received a large number of enquiries which were compiled and disseminated among all the members. All the 15 Companies expressed satisfaction with their participation in the fair. All of them have reported to have got good business orders. Most of the companies conveyed that they will be interested in participating in the next edition of IRANTEX.

HEIMTEXTIL 2019 FAIR, FRANKFURT, GERMANY, (8-11 JANUARY, 2019)

Realizing the tremendous potential in Textiles and Clothing trade offered by Germany which is also a leading market for Indian Home Textiles in the EU, the Council organized the 'Brand India' Pavilion at the Heimtextil Fair 2019 held in Frankfurt, Germany from January 8 - 11, 2019 in Hall no. 10.2.

The Heimtextil Fair is an important event in the calendar of Textile Fairs in the world. A large number of Indian participants comprising Home Textile producers of Bed Linen, Table Linen, Towels, Kitchen Linen, Rugs, Mats, Blankets, etc. display their products. The 2019 edition was bigger than it has been for 15 years with 3025 exhibitors recording exhibitor growth from Italy, Spain, Turkey, South Korea and the USA



TEXPROCIL @ HEIMTEXTIL, JANUARY 2019, FRANKFURT

Smt. Pratibha Parkar,
Consulate General of India
(4th from left) &
Shri Sanjay Saran,
Joint Secretary, Ministry
of Textiles (5th from left)
along with the Council's
officials & representatives
of HEPC & EPCH visiting
the Council's stall at
Heimtextil Frankfurt held
during January 2019.

among others. Indian presence at the exhibition has also been growing over the years and in the 2019 edition India with 392 participants ranked second in terms of exhibitors.

To gain a first-hand experience of the international event, Shri Sanjay Saran, Joint Secretary & Textiles Commissioner, Minister of Textiles, Government of India visited the fair and led focussed discussions on promotion of 'Incredible Textiles from India'. Smt Pratibha Parkar, Consul General of India in Frankfurt along with Mr. Manoj Patodia, Vice Chairman, TEXPROCIL and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL along with the Executive heads of other Councils viz. HEPC and EPCH met the Indian participants and select importers at the fair.

The participation of the Indian companies was coordinated by three EPCs viz. TEXPROCIL, EPCH and HEPC. Out of the total 392 Indian companies at the fair, the participation of few of the companies was subsidized under the MAI Scheme of Government of India which included 20 companies of TEXPROCIL, 26 companies of HEPC and 30 companies of EPCH. The Council's booth saw a steady stream of trade visitors.

COLOMBIATEX, MEDELLIN CITY, COLOMBIA (22-24 JANUARY, 2019)

This is the largest textile fair in the entire Latin American Region, mainly for promoting textile products from the Central and South American countries. India is the only Asian country allowed to participate with sizeable number of exhibitors. Importers of textiles from all over the American continent visit this annual event to source their requirement.

Texprocil and the Indian Embassy undertook extensive publicity in promoting participation by Indian exhibitors at ColombiaTex by means of: E-mail blasts to importers, Tele-marketing, Social media, such as Facebook, Instagram and Twitter, Press release with the help of the Organisers of the Fair. One of the value added services provided by the organisers is pre-fixing meetings through the Online-Platform on the event website, wherein importers as well as exhibitors can request one to one meetings at the Business Lounge during the Fair days to discuss business. This platform was very useful as the Indian exhibitors could fix meetings with some of the top importers of textiles in the region. H. E. Shri. Ravi Bangar, Ambassador of India to Colombia visited the Fair and interacted with each of the Indian exhibitors and discussed concerted strategy to be adopted by the Indian exhibitors in increasing their export to LAC region and in particular to Colombia.

REVERSE BUYER SELLER MEET, IND-TEXPO, COIMBATORE, INDIA (27-29 JANUARY, 2019)

The Council organised a Reverse Buyer Seller Meet (RBSM), "Ind - Texpo 2019" from 27th to 29th January 2019 at CODISSIA Trade Fair Complex, Coimbatore, Tamil Nadu along with the Powerloom Development Export Promotion Council (PDEXCIL). Spread over an area of 1000 sqmts, there were a total of 120 Indian exhibitors showcasing yarns, fabrics and made-ups with over 80 international visitors from Argentina, Chile, Russia, Philippines, Egypt, Korea, Turkey, China among many other countries attending the Show.

The RBSM was inaugurated by the Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani in the presence of Ministers from Government of Tamil Nadu and textile dignitaries. Besides the main exhibition, the event also had fringe programs like Fashion Show and Seminars. An exclusive one-on-one B2B session was also organised with individual country slots for interaction with the exhibitors based on their product mix. The overseas visitors expressed their satisfaction with the event and were keen to attend the next RBSM to source textiles from India.

16TH INT'L ISTANBUL YARN FAIR, TURKEY (28 FEBRUARY - 2 MARCH, 2019)

The Council participated in the 16th International Istanbul Yarn Fair which was held at the Tuyap Fair Convention & Congress Center Istanbul, Turkey from February 28 to March 2, 2019. 10 Indian companies participated in the fair through the Council showcasing their products to the international visitors. The



Council also had a booth for itself which served as an information centre. Mr. Purnojyoti Mukherjee inaugurated the Indian Pavilion at the fair on 28.2.2019 and, thereafter, interacted with all the Indian companies.

A good number of visitors attended the fair. The fair saw visits of buyers from Turkey and other countries like Italy, Russia, Bulgaria, Tunisia, Georgia, Syria, Egypt, Morocco Uzbekistan, Portugal, Iran and Serbia. All the Indian companies benefited by participating in the fair.

PREVIEW IN DAEGU 2019, DAEGU, SOUTH KOREA (6-8 MARCH, 2019)

The Council participated in the textiles exhibition "Preview in Daegu 2019" held in South Korea from March 6-8 2019. 26 Indian Companies participated in this fair through the Council. The Council's participation was partially funded by the Government under the MAI scheme.

The objective of participating in the fair was to capitalize on the Indo-Korea CEPA, under which there is zero duty on import of fabrics, made ups, home textiles and garments into South Korea from India, thereby offering greater market access for Indian textiles into the South Korean market.

YARN EXPO, SHANGHAI, CHINA (12-14 MARCH, 2019)

With a view to showcase the presence of the Indian suppliers in the Chinese market and to give a fillip to increase India's export of Cotton Yarn, the Council organized a group participation of Members at Yarn Expo Fair, Shanghai, China from 12 to 14 March, 2019, in association with FICCI. A total of 32 Indian companies exhibited at Yarn Expo. An interesting feature of the event was the growing demand for recycled yarns, value added dyed and fancy yarns in China. This demand is expected to grow in the coming years.

Mr. Anil Kumar Rai, Consul General of India in Shanghai, visited the Fair and interacted with each of the Indian exhibitors. During discussion, it was pointed out that India is losing its market share in yarn exports to Vietnam and Pakistan due to tariff disadvantage. It was also pointed out that tariff on cotton fabrics imported into China from India needs to be brought down to 5% or less so as to compete with other supplying countries, such as Pakistan & Vietnam as they enjoy 'Zero' tariff advantage. The Consul General assured that the tariff issue will be taken up with the Chinese authorities through the Indian Embassy in Beijing.



TEXPROCIL RBSP: IND-TEXPO, JANUARY 2019

B2B Meetings in progress at IND-TEXPO 2019 jointly organised by TEXPROCIL and PDEXCIL at Codissia Centre, Coimbatore, Tamil Nadu during January 2019.

TRADE DELEGATIONS/CONFERENCES/MEETINGS/ PRESENTATION-OVERSEAS

TRADE DELEGATION TO SOUTH KOREA (11-15 JUNE, 2018)

In order to promote the exports of Madeups, the Council organised a visit to Seoul and Daegu from June 11-15, 2018 to explore the business opportunities in South Korea with which India has a Comprehensive Economic Partnership Agreement (CEPA) permitting duty free access for fabrics / madeups / garments. While India has capitalised on the opportunities for Grey fabrics where exports have increased to US \$ 82 million in 2016-2017, exports of Madeups are valued only at US \$ 12 million.

The delegation met Indian Ambassador at Seoul on 11th June, 2018 and representatives of leading stores like ARPEGGIO, COZYNEST, SHINSEGAE GROUP, JDX MULTISPORTS, in Seoul. The delegation also met the representative of Korea Federation of Textile Industries (KOFOTI). In Daegu a Buyer Seller Meet was held in collaboration with Daegu Gyeongbuk Textile Industries Association and Daegu Gyeongbuk Bedding Association. The meeting was well attended with exchange of samples leading to establishment of good contacts and business opportunities.

IMPORTED YARN FORUM HANGZHOU CITY, CHINA (21-22 JUNE, 2018)

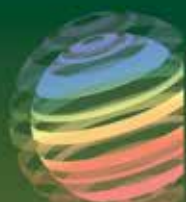
The Council participated in the 7th edition of the Imported Yarn Forum held at Hangzhou city, China on 21st & 22nd June, 2018. Against the background of US action on Chinese imports and the possibilities of a trade war, there is growing concern in China regarding the procurement of raw materials like cotton and cotton yarn. This concern was reflected in the Forum.

The Council participated in the event in order to understand the underlying trends in exports & imports of Cotton and Cotton Yarn from & into China in the coming year. Dr. Siddhartha Rajagopal, Executive Director of the Council made a presentation on the topic "Indian Textile & Apparel Sector: Performance supported by Policies" bringing out the policy ecosystem which will drive export growth from India.



TEXPROCIL DELEGATION TO SOUTH KOREA

TEXPROCIL Delegation in a meeting with H.E. Shri Vikram Doraiswami Ambassador of India to South Korea (7th from right), along with Shri Ujwal Lahoti, Chairman TEXPROCIL (6th from right) and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (5th from right) during the visit of delegation to South Korea in June 2018.



The various presentations also showed that Chinese investments in spinning in the Xingjian region are under pressure. Thus in the coming months (up to the end of Fiscal 2018-2019) revival of demand for Cotton and Cotton Yarn was seen as a distinct possibility.

The meeting was attended by many leading exporters of Indian textile products. Participants from China and abroad attended the forum and heard presentations from CCF Group (China), The Vietnam Cotton and Spinning Association (VCOSA) and Taiwan Textile Federation (TTF) among others.

TRADE DELEGATION TO DHAKA (21-22 JULY, 2018)

The Council organised the visit of a 25-member Indian Trade Delegation led by Mr. Ujwal Lahoti, Chairman, TEXPROCIL to Dhaka, Bangladesh for meetings on 21st and 22nd July, 2018. During the visit, the delegation interacted with leading garment manufacturers of both Knitwear and Woven in Bangladesh. The Bangladesh market offers vast scope for increasing India's market share in Fabrics, Yarns and even home furnishings, provided consistent marketing efforts are undertaken on a continuous basis.

It was observed that, apparel manufacturers in Bangladesh are moving from 'forced compliant' to 'voluntary compliant' factories in order to obtain orders from major brands around the world. Hence, they need consistent quality of raw material and long term commitment on prices of cotton yarn and fabrics. Dr. Adarash Swaika, Deputy High Commissioner of India to Bangladesh suggested that Texprocil should take the initiative in promoting home furnishing products also as the spending capacity among the common household is increasing substantially. He also mentioned that it is important that such B2B meetings should be held at least twice a year in Bangladesh to make any headway in increasing market share in value added fabrics and home textiles.

TRADE DELEGATION TO CHINA (22-28 AUGUST, 2018)

To understand the recent developments in the Chinese textile and apparel sector in view of trade war between China & USA and to explore possibilities of increasing export of Indian yarn, fabrics and home textiles to China, a trade delegation under the leadership of Mr. Ujwal Lahoti, Chairman, TEXPROCIL visited China from 22 to 28 August, 2018.



TEXPROCIL DELEGATION TO CHINA

TEXPROCIL delegation of Home Textile Exporters led by Shri Ujwal Lahoti, Chairman, TEXPROCIL (5th from right) along with Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (3rd from right) at InterTextile Home Fair, Shanghai held during August 2018.

The delegation visited textile clusters in Haimen, Tongzhou, Nantong & Shanghai and met with some of the manufactures of leading bedding product brands. During the B2B meetings, visits to individual companies' offices and factory visits, the Chinese side showed a keen interest to source high quality cotton yarn from India for conversion into value added bedlinen for sale in domestic market as well as for further exports.

TRADE DELEGATION TO JAPAN (14-18 FEBRUARY, 2019)

A high level delegation led by Sh. Raghavendra Singh, Secretary (Textiles) comprising Senior Govt. officials and industry leaders visited Japan from 14th to 18th February, 2019 to identify areas for optimizing the India Japan CEPA and enhancing textile trade. The Council was represented by Shri Manoj Patodia, Vice Chairman and Dr. Siddhartha Rajagopal, Executive Director. The delegation had successful meetings with the Ministry of Economy, Trade & Industry (METI), Marubeni Corporation, Teijin, Japan's largest apparel retailer Uniqlo, Japan External Trade Organisation (JETRO), Nissenken Quality Evaluation Centre, Japan Textiles Importers Association (JTIA) and the Adventure Group.

These meetings cutting across the cross section of the textile industry were organised and held with the objective of enhancing sourcing from India for apparel/home textiles, handicrafts and handloom products besides looking at areas for investment in India and collaboration in joint venture for strengthening textile value chain. Discussions were also held on collaborations for strengthening the technical textile value chain in India.

An important way forward that emerged was a focused approach towards understanding and improving sourcing, given the specific requirements of the Japanese markets. Important collaboration partners were identified towards meeting the technology needs, quality issues and participation in Japanese fairs.



TEXPROCIL @ HIGH LEVEL DELEGATION TO JAPAN,

Shri Manoj Patodia, Vice Chairman, TEXPROCIL (4th from right) and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (2nd from right) in a meeting with representatives of Asahi Kasei, OSAKA, Japan during the visit of a high level delegation under the leadership of Shri Raghvendra Singh, Secretary, Ministry of Textiles, Government of India during February 2019.



SEMINARS AND WORKSHOPS

INTERACTIVE MEETING ON EXPORT TRENDS OF COTTON TEXTILES, EXPORT PROMOTION SCHEMES, BANKING AND GST RELATED ISSUES, COIMBATORE (10 AUGUST, 2018)

The Council in association with SIMA (South Indian Mills Association) organized an interactive meeting with the exporters in Coimbatore at their conference hall on August 10, 2018. The meeting was well attended by the exporters from the Southern region including senior executives & managers from some large and reputed exporting companies.

Shri A. Ravi Kumar, Joint Director, TEXPROCIL conducted the meeting in which he made a presentation covering Export trends of Cotton textiles, Export Promotion Schemes, Banking and GST related issues. During the Question Answer session all the queries raised by the participants were suitably clarified

SEMINAR ON “POTENTIAL TO EXPORT TEXTILES TO SOUTH KOREA”, KARUR, TAMIL NADU (11 AUGUST, 2018)

The Council in association with Karur Exporters' Association organised a Seminar on “Potential to Export Textiles to South Korea” in Karur, Tamil Nadu on August 11, 2018. Shri A. Ravi Kumar, Joint Director, TEXPROCIL made a presentation on “Potential to Export Textiles to South Korea” at the seminar which was well attended by the exporters from Karur which is an important centre for home textiles. Shri Nachimuthu, President of the Karur Exporters' Association, Shri B.Kumar, Past Chairman, HEPC and Shri SivaKannan, member of Committee of Administration of TEXPROCIL were also present at the seminar.

PRESENTATION ON “EXPORT PROMOTION & TRADE OPPORTUNITIES” AT AMRAVATI, VIJAYAWADA (20 NOVEMBER, 2018)

The Council was invited by the Andhra Pradesh Government to make a presentation on ‘Export Promotion & Trade opportunities’ for the state. Shri A.Ravi Kumar, Joint Director, TEXPROCIL made a presentation before the Secretary (Industries), Shri Solomon, IAS and his team at the Andhra Pradesh Government Secretariat at Amravati, Vijayawada on November 20, 2018.

The presentation covered the trend of exports of Textiles & Clothing and Cotton textiles in leading export markets, the challenges being faced by textile exports in the form of high import duties in the main export markets as against zero duty on imports from competing nations, import duty structure for textiles & clothing, GST Rules & Procedures related to exports, Export promotion schemes, A-TUF scheme, ROSL scheme, the facility for duty free imports of trimmings & embellishments against exports of Garments & Made ups, the provision for duty free imports for export production and trade defense measures such as Anti-dumping & Safeguard duties.

EXPORT SERVICE ACTIVITIES

GOVERNMENT POLICY RULES & REGULATIONS

Global trade continues to be sluggish with declining commodity prices. Serious challenges are emerging in leading export markets in the form of increasing protectionism thereby making market access extremely difficult. Competition is intensifying day by day for the exporters who have to deal with high import duties in major markets as compared to zero or lower duties on similar products from competing nations. Exporters are also facing internal challenges such as high interest rates and transaction costs. Never in the past have export benefits and facilities played such a crucial role in influencing the competitiveness of exports, as they did in the current year. Government Policies and export benefits under the Foreign Trade Policy, Duty Drawback and the FTAs/RTAs which India enters into with other Countries / Region continue to impact pricing and exports of Cotton textiles.

It is in this context that the Council took the primary responsibility of facilitating the creation of an enabling environment and infrastructure for accelerated growth of exports of cotton textiles. The Council took all possible steps during the year to provide the Government with the necessary inputs/suggestions for the formulation and implementation of appropriate trade and commercial policies for increasing exports of cotton textiles.

INTERACTION WITH VARIOUS MINISTRIES

The Council interacted extensively with the Ministry of Textiles, Ministry of Finance, Ministry of Commerce & Industry and other Government bodies like the office of the DGFT, RBI and the Textile Commissioner.

The Council received representations from the members pointing out the difficulties faced by them on account of various provisions and procedures and also seeking more export benefits to remain competitive. All the representations and suggestions received from the members were examined carefully and appropriate steps were taken. The Council made several representations to the Government on various issues affecting the exporters based on the feedback received from its members. Most of the recommendations made by the Council were accepted and implemented by the Government. For instance, the Council recommended to the Government to extend the 3% Interest Equalization Scheme to the merchant exporters which has been accepted and implemented. Likewise, the Council represented on the need to extend the MEIS beyond June 30, 2018 which has been accepted and the necessary extension has been granted.

However, there are still some areas which remain unresolved despite persistent representations to the Government by the Council. A decision is yet to be taken by the Government on the Council's repeated representations to cover exports of Cotton Yarn under the MEIS and the 3% Interest Equalization Scheme.

The Council's representations to include Cotton Yarn, Fabrics and "Quilts" & "Shopping Bags" (covered under Chapter 94 and Chapter 42 of the ITC(HS) classification) under the RoSCTL Scheme also remain pending.

FOREIGN TRADE POLICY / UNION BUDGET PROPOSALS

The Council made an in-depth analysis of the various provisions of the Foreign Trade Policy & Procedures and based on such analysis and feedback from member-exporters, various issues were taken up with the Director General of Foreign Trade, Ministry of Commerce, with a view to make the Foreign Trade Policy (FTP) operationally-smooth, result-oriented and exporter-friendly. During the year, the Council had sent several suggestions on the FTP to the Ministry of Commerce & Industry



DUTY DRAWBACK SCHEME

The Council made a presentation on Drawback Proposals for Cotton textile products before the Drawback Committee consisting Shri G.K. Pillai (former Secretary, Government of India) with members Shri Y.G. Parande (former member -CBEC), Shri Gautam Ray (former Chief Commissioner of Customs & Central Excise) and Shri Anand Kumar Jha, Under Secretary, Drawback on 9.8.2018 at Hotel Grand Hyatt, Mumbai.

WTO COMPATIBLE EXPORT PROMOTION SCHEMES

The US in March 2018 had challenged 5 export benefit schemes extended by the Government such as (i) 100% EOU scheme (ii) MEIS (iii) EPCG scheme (iv) SEZ scheme and (v) Duty free imports facility against exports. Consequently, the Government reviewed the existing Export Promotion Schemes for textiles & clothing sector in terms of WTO Rules and had sought suggestions from the Council in this regard. The Council prepared a report which covered suggestions on replacing some of the existing export benefits with WTO compatible schemes and submitted it to the Government. The Council had several meetings with the Government to discuss alternate export benefits which can be extended to the exporters. In all such meetings, the Council had highlighted on the need to put in place alternate schemes for exports as any abrupt withdrawal of existing benefits will have extremely serious and adverse impact on exports.

ADVISORY ROLE

The Council continued in its role of advising its members on the various provisions under Foreign Trade Policy, Duty Drawback, Tariff & Non-Tariff issues, GST procedures and on other areas concerning exports. All the important Notifications / Circulars issued by the Government from time to time were systematically disseminated to its members by the Council. The Council has put in place a system to deal with various queries from member-exporters on Policy & Procedural issues wherein clarifications are issued without delays.

GOODS & SERVICES TAX (GST)

During the year the Council continued with its efforts in guiding the exporters to comply with the GST procedures, formalities and documentations. The Council also sought feedback and suggestions from the members on the various provisions under the GST. From time to time the Council took up issues related to the GST with the Government based on representations received from the members. The Council also interacted extensively with the GST Policy Wing under the Ministry of Finance in addition to the Ministry of Textiles and Department of Commerce and had provided all the required inputs to the concerned departments.

The Council also played a proactive role in helping the exporters get refunds of GST on exports. The lists of pending IGST refunds on exports received from the members were sent to the concerned customs authorities and also to the GSTN (GST Network) wherever required. The Council also took up the pending claims of refund of un-utilized Input Tax Credits (ITC) on exports under LUT received from the members with the concerned GST Commissionerates. In its interactions with the members, the Council observed that in many of the cases the refunds were denied or delayed on account of errors made in the applications for refunds / GST Returns. The Council provided the necessary guidance to its members on the refund procedures & the associated documentary requirements.

Some of the areas on which the Council made representations to the Government are as follows:

- Allow domestic procurements by 100% EOUs without Payment of GST.
- Allow refund of IGST in those cases where exporters had taken composite Rates of Duty Drawbacks during the transitional period of three months from 1.7.2017 to 30.9.2017 along with Input Tax Credit and subsequently surrendered the differential Duty Drawback rates (difference between the composite rate and lower rate).
- De-link refund of IGST on exports from GSTR 1 and refund 90% of the IGST amount immediately after the EGM is filed.
- Issue a clarification on whether an exporter who has claimed Cenvat credit on capital goods and has exported under the Central Excise Rebate claims would also become eligible for higher rate of Duty Drawback (composite rates).
- Instruct the GST Commissionerates to follow the time frames laid down by CBIC in Circular No.17/17/2017-GST dated November 15, 2017, while processing applications for the refund of un-utilized ITC on exports under LUT.
- Resolve RFD-01A related issues and to include ITC on services in the formula to calculate the refund amount of un-utilized Input Tax Credit on exports under LUT.

SCHEME TO REBATE STATE AND CENTRAL TAXES AND LEVIES (ROSCTL)

The Council had proposed for an increase in the ROSL (Rebate of State Levies) rate for Cotton Made ups. The Council had also proposed to cover Central Taxes also under the erstwhile ROSL scheme. The Government has accepted the Council's proposal and has notified a new scheme called as "Scheme for Rebate of State and Central taxes and Levies on Export of Garments and Made ups (RoSCTL) vide Ministry of Textiles Notification dated March 7, 2019 for the Made-ups and Garments sectors. The scheme will be effective from March 7, 2019 and will be valid till March 31, 2020. Also, the scheme will be available in addition to the Duty Drawback Scheme. The Government has also notified the RoSCTL rates vide Ministry of Textiles Notification dated March 8, 2019.

GRIEVANCES OF EXPORTERS / PROCEDURAL PROBLEMS/ TRADE FACILITATION SERVICES

The Council also took up the problems faced by exporters at the operational level with appropriate Government bodies such as Customs, GST Commissionerates, ICEGATE, GSTN, Regional offices of DGFT, RBI, Banks, ECGC etc. Besides, the Council provided the necessary assistance to its members in getting their IGST and Input Tax Credit refunds, Duty Drawback and ROSL on exports.

The Council's representative regularly attended the Custom's Trade Facilitation Meetings - and the Grievance Committee meetings held by Jt. DGFT, Mumbai for redressal of such problems. Moreover, the Council also attended to complaints from exporters against overseas buyers on issues like non-payment against Export Bills, quality problems raised by the exporters and others

REPRESENTATIONS TO THE GOVERNMENT

Based on inputs / suggestions/ feedbacks received from the members, the Council made several representations to the Government at various levels on issues related to exports of Cotton textiles. Some of the representations were addressed directly to Smt Smriti Zubin Irani, Hon'ble Union Textiles Minister, Shri Arun Jaitley, Hon'ble Union Finance Minister and Shri Suresh Prabhu, Hon'ble Union Minister for Commerce & Industry.



REPRESENTATIONS ON MAJOR ISSUES

During the year 2018-19, some of the issues on which the Council had sent representations to the Government were as follows:

- Include “Cotton fabrics” and “Cotton Yarns” in the RoSCTL (Rebate of State and Central Taxes and Levies).
- Enhance the MEIS rates for Made ups articles falling under ITC (HS) Codes 63049229, 63049249, 63049289 and 63049299 and on fabrics covered under chapter 51 to 60 from 2% to 4%.
- Include exports of Cotton Yarn under MEIS and 3% Interest Equalization Scheme.
- Extension of MEIS Scheme beyond 30.6.2018.
- Difficulties faced by textile exporters while exporting to Bangladesh.
- Introduce payment mechanism for exports to Iran.
- Include the Made ups sector in the New Textile Policy in the state of Gujarat.
- Increase the MEIS rate for “Quilts” falling under Tariff Nos. 940401, 940402 and 940499 from 2% to 4% and “Cotton Shopping Bags” falling under HS code 42022220 from 3% to 4% under the MEIS as both these are “Madeup articles” but falling under different chapters in the ITC(HS) classification.
- Continue with MEIS for the Madeups & Garments sectors after the announcement of the RoSCTL scheme.
- Treat “Quilts” and “Cotton Shopping Bags” as Made ups and include them under RoSCTL scheme.
- Devise a mechanism under which RBI may allow settlement outside ACU or direct Banks not to charge for handling ACU transactions to the exporters in India.

TARIFF / NON-TARIFF ISSUES

ADDITIONAL DUTIES IMPOSED BY TURKEY ON TEXTILES FROM INDIA

Turkey had imposed additional customs duty of 20% on woven fabrics and apparel covered under Chapters 50 to 62. Effectively, import of textiles from India attracts cumulative duties of 28%. These high import duties are making it difficult for Indian exporters to export textiles to Turkey. According to legal experts, this additional duty imposed by Turkey are not WTO compatible. The Council has, therefore, represented that the Government of India should strongly take up this matter with the Turkish Government & call for immediate consultation so that the additional duty is abolished.

WORKING OF SUB COMMITTEES

- The Sub Committees constituted by the Council for undertaking detailed export promotion programmes for Yarns, Fabrics and Made-ups met regularly during the year.

MEMBERSHIP PROFILE

The Membership Profile of the Council comprising Members and Registered Textile Exporters (RTEs) is given below:-

Particulars	As on 31 st March 2019	As on 31 st March 2018
Members	176	178
Registered Textile Exporters (RTEs)	2358	2537
TOTAL	2534	2715

COMPOSITION OF THE COMMITTEE OF ADMINISTRATION

The newly constituted Committee of Administration held its first meeting on 29th November 2018 at “Grand Cru Salon”, Hotel St. Regis, Mumbai elected Dr. K. V. Srinivasan as Chairman for a period of 2 years (2018-2020). Subsequently, as per the requirement of Para 2.92 of the FTP 2015-20, Shri Manoj Patodia was elected as Vice Chairman of the Council for a period of 2 years (2018-2020) by the Committee of Administration at its meeting held at the Council’s Head office, Mumbai on 6th December 2018.

The Composition of the Committee and Status of Committee Meetings attended by Members is given below: -

Attendance of Members in Meetings held during the financial year 2018-19		
Sr. No.	Name of Member	Attendance
Office Bearers		
1	Dr. K. V. Srinivasan, Chairman	5
2	Shri Manoj Kumar Patodia, Vice Chairman	5
Other Members		
3	Shri Ujwal R Lahoti (Member till 29.11.2018)	7
4	Ms. Preeti M Sheth (Member till 29.11.2018)	6
5	Shri Arun Todi (Member till 29.03.2019)	5
6	Shri D. L. Sharma	5
7	Shri Ketan Manek	5
8	Shri Vishnukumar Jalan	5
9	Shri K. Hari Thiagarajan	4
10	Shri Prakash Shah	4
11	Shri Vijaykumar Agarwal	4
12	Shri Umesh R Lahoti (Member since 29.11.2018)	4
13	Shri Umang Patodia	3
14	Shri M. Sivakkannan	3
15	Shri S. K. Saraf	3
16	Shri Parag H. Udani	3
17	Shri Sanjay Jain	3
18	Shri Tushar Ruparelia	2
19	Shri Aditya Krishna Pathy	2
20	Ms. Mridula Ramesh	2
21	Shri Ashish Mehrishi (Member since 29.11.2018)	2
22	Shri Sanjay K. Rathi (Member since 29.11.2018)	2
23	Shri R. K. Dalmia (Member till 29.11.2018)	2
24	Shri S. K. Khandelwa (Member since 28.01.2019)	1
25	Shri P. Nataraj	1
26	Shri Maninarayan Velayutham	1
27	Shri Ashwin Chandran	1
28	Shri Rajesh Mandawewala (Member till 28.01.2019)	0
29	Joint Secretary, Ministry of Textiles	0
30	Textile Commissioner	0

During fiscal year 2018-19, the Committee met 7 times i.e. three(3) times prior to the AGM and four (4) times post AGM.



64th ANNUAL GENERAL MEETING

The 64th Annual General Meeting was held on Thursday, the 29th November, 2018 at 11.30 a.m. at “Grand Cru Salon”, Hotel The St. Regis, 402, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Fifteen (15) Member Exporters and One (1) RTE attended the meeting.

Shri Ujwal R Lahoti, Chairman, took the chair and called the meeting to order after ascertaining that requisite quorum was present.

Greeting the members at the AGM, Chairman, Shri Ujwal Lahoti stated that World Economic Outlook (IMF July, 2018) had projected the global growth to reach 3.9 percent in 2018 and 2019. Against this background, India has transitioned into one of the fastest-growing economies in the world in recent years. However, he expected this expansion to be uneven on account of escalating trade tensions and market pressure on some currencies in economies with weaker fundamentals. The biggest risk facing the global economy right now was the trade war between the US and China and given this situation a developing country like India should be quick and flexible enough to spot the opportunities in the transforming landscape of global trade.

Regarding the world trade in textile and clothing, Chairman stated that the trade grew in 2017 by 3.96% over the previous year, reaching a level of USD 756 billion. Out of this, while clothing accounted for 57% share of the world trade, textiles accounted for 43% share. The aggregate trade was expected to reach USD 786 billion in the year 2018 at a growth rate of around 3.9%.

As regards the Indian exports of Textiles & Clothing, Shri Lahoti pointed out that the exports had registered a growth of 5.37% in 2017, reaching a level of USD 37.44 billion. India's share in world trade in textile and clothing during the year was estimated to be 4.95%. With exports of USD 37.44 billion, India was ranked 2nd amongst the suppliers in the world.

Shri Lahoti acknowledged the Government's pro-active steps like providing an additional production-linked incentive of 10% under the Amended Technology Upgradation Fund Scheme (ATUFS), Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMRPY), the continuation of the Scheme of Integrated Textile Parks with some modifications for a period of three years i.e. from 1.4.2017 to 31.3.2020, Special ROSL package for Made-ups sector, increase in MEIS rates for made-ups etc. He felt that all the above steps were very encouraging and should result in increasing investments, generating additional employment and giving a fillip to export growth.

As regards Goods & Services Tax (GST), Shri Lahoti thanked the Government for addressing the issues faced by the exporters under this new tax regime especially on refunds of IGST and Un-utilized Input Tax Credit on exports. The Government had allowed the refund of accumulated Input Tax Credit on fabrics and to independent processors which will reduce the cost for the weavers and the independent processors.

Shri Lahoti informed the members that in order to offer suggestions on WTO compatible Alternate Schemes, the Council had engaged the services of a consulting firm M/s. Ikdhvaj Advisers LLP to undertake a 'Study on Alternate Export Promotion Schemes' which can be recommended to the Government. He was sure the findings of this study will help the Government formulate new schemes in order to ensure continuity in business and foster trust between the exporters and importers in the long term interest of all round export growth.

Shri Lahoti felt that there were some matters that needed to be resolved at an early date viz., inclusion of cotton yarn under the MEIS, increase in the MEIS rates for fabrics from 2% to 4%, inclusion of Cotton Yarn and Fabrics under the ROSL Scheme, extension of Interest Subvention scheme to merchant exporters and lastly the urgent need for expediting the conclusion of FTAs with countries like EU, Australia, and Canada. The matter needs to be addressed by the Government on a priority basis.

Highlighting some of the activities of the Council, Shri Lahoti pointed out that the Council had upgraded its present Quality Management System (QMS) certification and had successfully made a transition from ISO 9001:2008 to a new version of the standard - ISO 9001:2015, which showed the Council's abiding commitment to provide quality service to its members.

Summing up on his tenure as Chairman, Texprocil, Shri Lahoti stated that the Council made effective contributions to the various policy issues on the diverse needs of industry and stakeholders. He appreciated the team at TEXPROCIL comprising the Executive Director, Director and Joint Directors for their support in making the task easier.

The General Body approved and adopted the Committee's Report, Annual Audited Accounts, Auditor's Report & Appointment of Auditors for the year 2018-19 including fixing of their remuneration & passed the special resolution relating to modification in the Articles of Association of the Council.

Following Members were elected as Committee Members in place of those Committee Members who retired by rotation.

Category: Export Qualification between Rs. 5 Crores and Rs. 15 Crores

- Shri Sanjay K Rathi.

Category: Export Qualification above Rs. 15 Crores to Rs. 50 Crores

- Shri Aditya Krishna Pathy
- Shri Tushar Ruparelia

Category: Export Qualification above Rs. 50 Crores

- Dr. K V Srinivasan
- Shri Umesh Lahoti
- Shri Ashish Mehrishi



64TH ANNUAL GENERAL MEETING OF TEXPROCIL

Shri Ujwal Lahoti, Chairman (Outgoing) addressing the audience at the 64th AGM of TEXPROCIL (Seated left to right) Dr. Siddhartha Rajagopal, Executive Director, and Shri Sudhir Nair, Accounts Auditor participating in the proceedings of the Annual General Meeting.



THE SIXTY-FIFTH ANNUAL REPORT

THE SIXTY-FIFTH ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION ON THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019 TO THE MEMBERS OF THE COUNCIL AS REQUIRED UNDER ARTICLE 71 OF THE ARTICLES OF ASSOCIATION OF THE COUNCIL

The Members of the Committee of Administration submit the Audited Balance Sheet and Income and Expenditure Account for the year ended 31st March, 2019.

The Income and Expenditure Account after providing for all the known and anticipated charges and depreciation of Rs. 10,26,403/- on fixed assets disclosed an excess of Income over Expenditure of Rs. 9,43,376/-.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

None of the employee is in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 134 of the Companies Act, 2013.

The assets of the Council are kept in proper order.

MEMBERS OF THE COMMITTEE OF ADMINISTRATION'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, your Members of the Committee of Administration to the best of their knowledge and belief and according to the information and explanations obtained by them, hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Members of the Committee of Administration have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2019 and of the Income and Expenditure of the company for that period;
- (c) the Members of the Committee of Administration have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the Members of the Committee of Administration have prepared the annual accounts on a going concern basis; and
- (e) the Members of the Committee of Administration have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INFORMATION ON THE DIRECTORS / COMMITTEE MEMBERS / KMP:

Following Directors are retiring by rotation and being eligible to offer themselves for re-election

- i. Shri Umang Patodia
- ii. Shri D L Sharma
- iii. Shri Prakash Shah
- iv. Shri K Hari Thiagarajan
- v. Shri M Sivakkannan

Shri Rajesh Rameshkumar Mandawewala has resigned as a Member of Committee of Administration of the Council on 28/01/2019 and Mr. Arun Todi has resigned as a Member of Committee of Administration of the Council on 29/03/2019. The Committee of Administration of the Council places on record the valuable contributions made by these Members during their tenure of membership.

Mr. Suresh Kumar Khandelia was appointed as Additional Director (Member) in casual vacancy in place of Mr. Rajesh Mandawewala w.e.f. 28/01/2019 and being eligible to offer himself to be appointed in the Committee of Administration of the Council.

Following members were co-opted at the Annual General Meeting held in 2018:

1. Joint Secretary, Ministry of Textiles
2. Textile Commissioner (Ex- Officio)
3. Shri Parag H. Udani, Nominee of All India Exporters Chamber
4. Shri Sanjay Jain, Nominee of Confederation of Indian Textile Industry (CITI)
5. Shri P. Nataraj, Chairman, SIMA
6. Shri Maninarayan Velayutham, Sri Gomathy Mills Pvt. Ltd.
7. Shri Ashwin Chandran, Precot Meridien Ltd.
8. Shri Vishnukumar Jalan, Eleganza Furnishings Pvt. Ltd.
9. Executive Director, TEXPROCIL (Ex-Officio)

NUMBER OF BOARD / COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the Financial Year 2018-19, the Company held 07 Board / Committee meetings of the members as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	11.05.2018	27	10
2	16.07.2018	27	13
3	15.09.2018	27	15
4	29.11.2018	20	9
5	06.12.2018	27	10
6	28.01.2019	26	19
7	29.03.2019	26	18

RELATED PARTY CONTRACTS / ARRANGEMENTS:

There are no related party contracts / arrangements entered during the year under review.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required by the provisions of the Companies Act, 2013 and the rules thereto is annexed herewith for your kind perusal and information.



AUDITORS AND AUDITORS REPORT:

There are no qualifications or adverse remarks in the Auditors' Report for the financial year ended 31st March, 2019 which requires any clarification/explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

Further the Auditors' Report for the financial year ended 31st March, 2019 is annexed herewith for your kind perusal and information.

M/s. Nipun Sudhir & Associates, Chartered Accountants, (Firm Registration Number 126168W) have consented to act as the Auditors of the Company for the Financial Year 2019-20 and they have given eligibility certificate accordingly.

LOANS, GUARANTEES AND INVESTMENTS:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE [PREVENTION, PROHIBITION AND REDRESSAL] ACT 2013:

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ORDER OF COURT

There were no proceedings before any regulator or court or tribunal during the year, hence there are no material orders impacting the going concern status and company's operation in future.

ACKNOWLEDGEMENT

The Committee Members wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and members during the year under review. Your Directors / Committee Members also wish to place on record their deep sense of appreciation for the committed service of the Executives and staff of the Company.

FOR AND ON BEHALF OF THE COMMITTEE

Dr. K V Srinivasan
CHAIRMAN
DIN:00004103

Date: 3rd August, 2019
Place: Mumbai

FORM NO. MGT 9 (Annexure I) EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and
rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U91110MH1954NPL009385
2.	Registration Date	04/10/1954
3.	Name of the Company	THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
4.	Category/Sub-category of the Company	Company Limited By Guarantee Company Licensed Under Section 25
5.	Address of the Registered office & contact details	5 th Floor, Engineering Centre, 9 Mathew Road, Mumbai -400004.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code (2008) of the Product/ service	% to total turnover of the company
1.	Support service to organizations	N 821	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

Company does not have any Subsidiary, Joint Venture or Associate Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter/s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)	-	-	-	-	-	-	-	-	



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	
Non Resident Indians	-	-	-	-	-	-	-	-	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	
Clearing Members	-	-	-	-	-	-	-	-	
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	-	-	-	-	-	-	-	-

B. Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	N.A.	-	-	-	-	-	-	-

C. Change in Promoters' Shareholding (please specify, if there is no change) - No Change

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus /sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the beginning of the year	-	-	-	-



V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

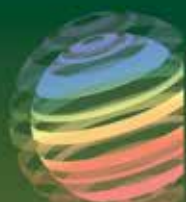
SN	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
		Dr. Siddhartha Rajagopal, Executive Director			
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,44,979	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others, specify...	-	-	-	-
5	Others, please specify:		-	-	-
	PF Contribution	4,64,678			
	Perquisite in Cash or in kind	4,78,799			
	Reimbursement of expenses	56,277			
	Total	70,44,733	-	-	-



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For & on behalf of the Board of Directors

Dr. Siddhartha Rajagopal
Executive Director
(DIN 06720149)

Date: 3rd August, 2019
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Cotton Textiles Export Promotion Council ("the Council"), which comprise the Balance Sheet as at March 31, 2019, Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies 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 Companies Act 2013, 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 Council as at 31 March 2019 and of its Surplus for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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.

Emphasis of Matter

Attention is drawn to Note 25 to the financial statements which states that the Council has not made any provision for taxation for the current year and earlier year as in the opinion of the management the activities of the Council are in the nature of charitable purpose in accordance with section 2 (15) and hence the council is entitled to the benefits of section 11 of the Income tax act. However, the Income tax department had denied the benefit of the section 11 of the Income tax Act 1961, for AY 2009-10, 2010-11, 2011-12, 2013-14, 2014-15, 2015-16 and 2016-17 had raised demand of Rs. 81,199,205/-. The matter was decided by Honorable Tribunal in favour of the Council for the AY 2009-10. The department had filed the petition to the Mumbai High Court against the said order which was rejected by the Honourable High Court vide order dated 14 February 2017 and review petition being rejected on 29th November 2017. The department has filed Special Leave Petition in Supreme Court against the order of Mumbai High Court. The Council has filed counter affidavit, hearing for which is not held till date of this financials. Based on the favorable decision of the Appellate Tribunal and the merits of the eligibility of the Council for 12A exemption and benefits of section 11 duly explained and represented by the management, the Council has continued to assess the liability to be contingent in nature.

Our report is not qualified on this matter



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Council's Committee of Administration is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Council 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 the assets of the Council and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council's Committee of Administration is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's Committee of Administration either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those Council's Committee of Administration are also responsible for overseeing the Council'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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the order is not applicable to the council, no comment on report specified in paragraph 3 and 4 of the order has been made.
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 purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Council so far as it appears from our examination of those books;
 - c) the balance sheet and the statement of Income and Expenditure statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the Members of the Committee of Administration as on 31 March 2019 taken on record by the Committee of Administration, none of the Members of the Committee of Administration is disqualified as on 31 March 2019 from being appointed as a Member of the Committee of Administration in terms of Section 164 (2) of the Act;
 - f) Reporting under provisions of section 143 (10) with respect to adequacy of the internal financial controls over financial reporting of the council do not apply as per the notification dated 13 June 2017 amending Notification No GSR 464 (E) dated June 5 2015.



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, we report as under:

- (i) The Council has pending tax litigations of Rs.8.11 crore which may impact its financial position if not in favour of the Council (Refer Note 25 of the financial statements for details of pending tax litigations);
- (ii) The Council did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) The Council is not required to transfer any amount to Investor Education and Protection Fund by the Council;

For Nipun Sudhir & ASSOCIATES

Chartered Accountants

ICAI Firm Registration No. 126168W

Nipun C. Shah

Partner

Membership Number 41117

Mumbai

Date: 3rd August, 2019

UDIN: 19041117AAAAAB6039

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

Balance Sheet as at 31st March, 2019

	Note	As at 31st March 2019 In Rs.	As at 31st March 2018 In Rs.
I. CORPUS AND LIABILITIES			
1 Corpus Funds			
(a) Corpus	2	54,791,510	53,917,760
(b) Reserves and Surplus	3	453,510,521	452,567,145
		508,302,031	506,484,905
2 Non Current Liabilities			
(a) Other Non Current Liabilities	4	5,106,900	4,007,600
(b) Long Term Provisions	5	6,416,086	5,507,994
		11,522,986	9,515,594
3 Current Liabilities			
(a) Other Current Liabilities	4	37,334,571	46,296,549
(b) Short-Term Provisions	5	7,439,936	6,101,794
		44,774,507	52,398,343
TOTAL		564,599,523	568,398,842
II. ASSETS			
1 Non- Current Assets			
(a) Property, Plant and Equipments	6a	5,704,988	4,660,184
Intangible Assets	6b	291,330	130,712
(b) Non-Current Investments	7	361,438,070	239,635,364
(c) Long- Term Loans and Advances	8	85,604,830	79,650,277
(d) Other Non-Current Assets	9	-	-
		453,039,218	324,076,536
2 Current Assets			
(a) Current Investments	7	77,152,104	193,280,104
(b) Trade Receivables	10	1,150	1,215
(c) Cash and Bank Balances	11	18,539,313	34,696,922
(d) Short-Term Loans and Advances	8	1,313,730	1,358,220
(e) Other Current Assets	9	14,554,008	14,985,845
		111,560,305	244,322,306
TOTAL		564,599,523	568,398,842

Significant Accounting Policies

1

Notes to Accounts

2 - 31

As per our report of even date attached

For Nipun Sudhir & Associates
Firm Registration No. 0126168W
Chartered Accountants

For on behalf of Board of Directors of
The Cotton Textiles Export Promotion Council

Nipun Shah
Partner
Membership No: 41117

Dr. Siddhartha Rajagopal
Executive Director

Dr. K V Srinivasan Manoj Patodia
Chairman Vice Chairman

Date: 3rd August, 2019
Place: Mumbai

N. Ravindranathan
Director

Tushar Ruparelia } Committee
Umesh Lahoti Members



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

Statement of Income and Expenditure for the year ended 31st March, 2019

	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Income			
Revenue from Operations	12	15,999,994	16,585,761
Government Grants	13	23,589,454	25,890,847
Other Income	14	45,581,916	50,959,204
Total Revenue		85,171,364	93,435,812
Expenditure			
Exhibition & Buyer Seller Meet Expenses	15	28,557,280	27,557,142
Printing ,Publicity and Awards Expenses	16	1,877,150	555,776
Delegation, Seminar and Market Survey Expenses	17	5,989,542	3,801,106
Employee Benefit Expenses	18	26,526,615	23,926,697
Other Expenses (Administrative Expenses)	19	20,250,998	18,157,306
Depreciation and Amortisation	6	1,026,403	980,839
Total expenditure		84,227,988	74,978,866
Surplus for the year before tax		943,376	18,456,947
Provision for Tax (Refer Note 25)			
Surplus After Tax		943,376	18,456,947
Prior period adjustments (Net)	20		
Surplus for the year		943,376	18,456,947
Significant accounting policies	1		
Notes to Accounts	2 - 31		

As per our report of even date attached

For Nipun Sudhir & Associates
Firm Registration No. 0126168W
Chartered Accountants

For on behalf of Board of Directors of
The Cotton Textiles Export Promotion Council

Nipun Shah
Partner
Membership No: 41117

Dr. Siddhartha Rajagopal
Executive Director

Dr. K V Srinivasan Manoj Patodia
Chairman Vice Chairman

Date: 3rd August, 2019
Place: Mumbai

N. Ravindranathan
Director

Tushar Ruparelia } Committee
Umesh Lahoti } Members

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1- SIGNIFICANT ACCOUNTING POLICIES :

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of Companies Act, 2013.

Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Property, Plant and Equipment's (Tangible Assets)

Property, Plant and Equipment's are stated at cost of acquisition. They are stated at historical cost less accumulated depreciation.

Intangible Assets

Intangible assets are stated at cost of acquisition. And amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

Investments

Long term investments are stated at cost. Provision is made for any diminution other than temporary in the value of investments.

Current investments are stated at cost or fair value, whichever is lower.

Depreciation

Depreciation on tangible assets is provided on written down value method over the useful life of asset prescribed in Part C of schedule II of the Companies Act, 2013.

Intangible assets relating to Computer Software are amortized over their respective individual estimated useful life of five years commencing from the date the asset is available to the Council for its use and is amortised accordingly.

Employee Benefits

I. Defined Contribution Plan

Contribution towards provident fund is made to the regulatory authorities. Such benefits are classified as defined contribution schemes as the Council does not carry any further obligations, apart from the contribution made on a monthly basis.

II. Defined Benefit Plan

The Council provides for gratuity, a defined Benefit plans (the "Gratuity Plan") covering eligible employees in accordance with the payment of Gratuity Act, 1972. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the nature of employment. The Council's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses / gains are recognized in the statement of Income and Expenditure account in the year in which they arise. The Gratuity Fund is maintained with Trust. The excess of funded status over the obligation is not considered in Statement of Income and Expenditure as at balance sheet date.



III. Other Long term benefits:

The Council provides for the encashment/availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

IV. Other Short Term Employee Benefits are charged to revenue in the year in which the related services are rendered.

Translation of Foreign Currency Transaction

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Income and Expenditure Account.

Revenue Recognition

Revenue (income) is recognised when no significant uncertainty as to determination or realization exists.

Revenue from services is recognised on rendering of services.

Interest and other income are recognised on time proportion basis.

Entrance fees

Entrance fees received from first time registration of membership is credited to Corpus fund.

Government Grants

Government Grants related to revenue is recognized as and when there is a reasonable certainty of realization and shown in the Income and Expenditure in accordance with Accounting Standard (AS) 12 'Accounting for Government Grants' as notified under Companies (Accounting Standard) Rules, 2006. Grants in the form of assistance from Government are credited to income and expenditure statement on the basis of release orders issued by Ministry of Commerce. Accordingly Grants related to revenue are accounted as a credit in income and expenditure statement separately.

Leases

Lease arrangement where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rent under operating leases are recognised in the Statement of income and expenditure as per terms of agreement.

Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note : 2 Corpus		
	31st March 2019	31st March 2018
	In Rs.	In Rs.
Entrance Fees		
As per the last balance sheet	53,917,760	52,807,760
Addition during the year	873,750	1,110,000
Total	54,791,510	53,917,760

The Council is an association which has been formed as a Limited Company and has been formed for promoting objects of the nature included in section 8 of the Companies Act, 2013 and intends to apply its profit and other income in promoting its objects and to prohibit the payment of any dividend to its members. On winding up of or dissolution of the Council there remains after the satisfaction of all its debts and liabilities, any assets, whatsoever, the same shall not be paid to or distributed among the members of the Council but shall be disposed of in the following manner, viz (i) At the discretion of the Government, if the assets in question have been acquired wholly or substantially out of Government grants or (ii) If they have not been so acquired, they shall be given or transferred to some other institution having objects of the Company as may be determined by the Hon'ble High Court of Judicature having jurisdiction in the matter. In the event of winding up, the liability of the members is limited to maximum of Rs.500/-.

Note : 3 Reserves and Surplus		
	31st March 2019	31st March 2018
	In Rs.	In Rs.
Surplus in Statement of Income and Expenditure		
Opening balance	452,567,145	434,110,198
Add: Surplus for the year	943,376	18,456,947
Total	453,510,521	452,567,145



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 4 - Other Liabilities				
	Non Current Portion		Current Portion	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Earnest Money Deposit / Forfeiture Amount	-	-	25,352,385	28,234,793
Statutory Dues	-	-	332,780	193,112
Advance from customer	-	-	817,076	57,783
Income received in advance	-	-	1,618,890	4,297,430
Deposit for premises given on rent	5,106,900	4,007,600	-	725,000
Liability for Expenses	-	-	3,945,007	3,696,562
MDA Grant to be disbursed to Exporters (Refer Note no. 21)	-	-	-	-
Government Grant Refundable	-	-	-	410,000
Other Liabilities	-	-	5,268,434	8,681,870
Total	5,106,900	4,007,600	37,334,571	46,296,549

Note 5 - Provisions				
	Non Current Portion		Current Portion	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Compensated Absence (Refer Note no.20 C)	6,416,086	5,507,994	6,629,882	6,101,794
Gratuity (Refer Note no.20 B)	-	-	810,054	-
Total	6,416,086	5,507,994	7,439,936	6,101,794

THE COTTON TEXTILES

NOTES FORMING

Note 6 : Fixed Assests

Particulars	Balance as at 1st April 2018	Gross Block		Balance as at 31st March 2019
		Additions	On Disposals	
A Property, Plant and Equipments				
1 Building	8,638,058	-	-	8,638,058
2 Furniture & Fixtures	7,064,780	939,089	1,179,005	6,824,864
3 Office Equipments	2,625,534	893,741	-	3,519,275
4 Motor Cars	2,039,585	-	-	2,039,585
5 Computers	2,506,266	169,943	-	2,676,209
Total (A)	22,874,223	2,002,773	1,179,005	23,697,991
B Intangible assets				
1 Computer Software	812,540	283,750	-	1,096,290
Total (B)	812,540	283,750	-	1,096,290
Total (A + B)	23,686,763	2,286,523	1,179,005	24,794,281

Previous Year F.Y.-2017-18

Particulars	Balance as at 1st April 2017	Gross Block		Balance as at 31st March 2018
		Additions	On Disposals	
A Property, Plant and Equipments				
1 Building (Ownership Premises)	8,638,058	-	-	8,638,058
2 Furniture & Fixtures	7,064,780	-	-	7,064,780
3 Office Equipments	2,602,034	23,500	-	2,625,534
4 Motor Cars	2,039,585	-	-	2,039,585
5 Computers	2,322,194	184,072	-	2,506,266
Total (A)	22,666,651	207,572	-	22,874,223
B Intangible assets				
1 Computer Software	642,140	170,400	-	812,540
Total (B)	642,140	170,400	-	812,540
Total (A + B)	23,308,791	377,972	-	23,686,763

Note - 1: Building includes Rs.750/- (Previous Year Rs.750/-) being cost of shares received from Co-Operative societies.

Note - 2: During the year, the Council has reviewed its fixed assets for impairment loss as required by Accounting standard 28 -"Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.



EXPORT PROMOTION COUNCIL

PART OF FINANCIAL STATEMENTS

Accumulated Depreciation/Amortisation			Net Block		
Balance as at 1st April 2018	Depreciation charge for the year	On Disposals	Balance as at 31st March 2019	Balance as at 31st March 2019	Balance as at 31st March 2018
5,305,507	163,265	-	5,468,772	3,169,286	3,332,551
6,617,061	166,170	1,124,305	5,658,926	1,165,938	447,719
2,449,128	230,680	-	2,679,808	839,467	176,406
1,555,893	174,129	-	1,730,022	309,563	483,692
2,286,450	169,027	-	2,455,477	220,732	219,816
18,214,039	903,270	1,124,305	17,993,006	5,704,985	4,660,184

681,828	123,132	-	804,960	291,330	130,712
681,828	123,132	-	804,960	291,330	130,712
18,895,867	1,026,402	1,124,305	18,797,966	5,996,315	4,790,896

Accumulated Depreciation/Amortisation			Net Block		
Balance upto 31st March 2017	Depreciation charge for the year	On Disposals	Balance upto 31st March 2018	Balance as at 31st March 2018	Balance as at 31st March 2017
5,133,831	171,676	-	5,305,507	3,332,551	3,504,227
6,353,385	263,675	-	6,617,061	447,719	711,395
2,379,817	69,311	-	2,449,128	176,406	222,217
1,283,816	272,076	-	1,555,893	483,692	755,769
2,154,144	132,306	-	2,286,450	219,816	168,050
17,304,994	909,045	-	18,214,039	4,660,184	5,361,657

610,033	71,795	-	681,828	130,712	32,107
610,033	71,795	-	681,828	130,712	32,107
17,915,027	980,840	-	18,895,867	4,790,896	5,393,764

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 7 - Investments				
	Non Current Portion		Current Portion	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Non Traded and Unquoted				
8% Government of India Taxable Bonds (Maturity Date -19-July-2022)	40,000,000	40,000,000	-	-
8% Government of India Taxable Bonds (Maturity Date -26-May-2023)	20,000,000	20,000,000	-	-
8.14% Housing & Urban Development Corp.Ltd. Tax Free Bonds (Maturity Date -25-October-2023)	10,000,000	10,000,000	-	-
8.23% Indian Railway Finance Corp. Ltd Tax Free Bonds (Maturity Date -18-February-2024)	10,000,000	10,000,000	-	-
REC (Rural Electrification Corporation Ltd) Tax Free Bonds (Maturity Date - 5-November-2025)	4,580,000	4,580,000	-	-
NHAI (National Highway Authority of India) Tax Free Bonds (Maturity Date - 9-March-2026)	1,542,000	1,542,000	-	-
8.5% Bank of Baroda Perpetual Bonds (Maturity Date -30-November-2022)	10,227,371	10,289,304	-	-
HDFC Mutual Fund Fixed Maturity Plan 3360D (Maturity Date -06-June-2023, Units: 10,00,000 (PY 10,00,000) Market Value Rs-140,95,800 (P Y Rs- 130,38,500))	12,723,300	12,723,300	-	-
8.39% State Bank of India Perpetual Bonds (Maturity Date -04-January-2023)	15,101,750	15,128,760	-	-
REC Taxable Bonds (Maturity Date -29th May 2020)	4,063,649	-	-	-
SUB Total	128,238,070	124,263,364	-	-
Fixed Deposits				
Tamilnadu Power Finance & Infrastructure Development Corporation Ltd.	40,000,000	5,000,000	5,000,000	40,000,000
HDFC Ltd.	89,900,000	20,900,000	20,900,000	53,700,000
ICICI Bank Ltd.	-	-	80,104	80,104
LIC Housing Finance Ltd.	23,500,000	29,672,000	29,672,000	79,500,000
PNB Housing Finance Ltd.	59,800,000	59,800,000	10,000,000	20,000,000
YES Bank Ltd	20,000,000	-	11,500,000	-
SUB Total	233,200,000	115,372,000	77,152,104	193,280,104
Total	361,438,070	239,635,364	77,152,104	193,280,104



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 8 - Loans and Advances				
	Non Current Portion		Current Portion	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Security Deposits				
<i>Unsecured, considered good unless otherwise stated</i>				
Considered good	443,923	443,923	800,000	800,000
Considered doubtful	-	-	-	-
	443,923	443,923	800,000	800,000
Less: Provision for doubtful deposits	-	-	-	-
Sub-total	443,923	443,923	800,000	800,000
Advances recoverable in cash or kind				
<i>Unsecured, considered good unless otherwise stated</i>				
Considered good	-	-	37,000	10,000
Considered doubtful	-	-	-	-
	-	-	37,000	10,000
Less: Provision for doubtful advances	-	-	-	-
Sub-total	-	-	37,000	10,000
Other loans and advances				
<i>Unsecured, considered good unless otherwise stated</i>				
Income Tax Refund (net)	85,160,907	79,206,354	-	-
Balance with Post & Telegraph Office	-	-	22,237	22,237
Prepaid Expenses	-	-	257,729	224,560
Advances to employees	-	-	196,764	301,423
Sub-total	85,160,907	79,206,354	476,730	548,220
Total	85,604,830	79,650,277	1,313,730	1,358,220

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 9 - Other Assets

	Non Current Portion		Current Portion	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Accrued Interest On Financial Institutions	-	-	3,029,638	3,352,870
Accrued Interest On Perpetual Bonds	-	-	578,304	578,304
Accrued Interest On Taxable Bonds	-	-	3,655,537	1,915,733
Accrued Interest on Bank deposit	-	-	938,692	-
Interest Accrued on Tax Free Bonds	-	-	1,300,281	1,301,941
Sub-total	-	-	9,502,452	7,148,848
Government Grant Receivable				
Market Access Initiative (MAI) grant for events abroad	-	-	3,466,856	6,955,863
Sub-total	-	-	3,466,856	6,955,863
Other Assets				
<i>Unsecured, considered good unless otherwise stated</i>				
Considered good	-	-	1,584,700	881,134
Sub-total	-	-	1,584,700	881,134
Total	-	-	14,554,008	14,985,845

Note 10 - Trade Receivables

	31st March 2019	31st March 2018
	In Rs.	In Rs.
<i>Unsecured, considered good unless otherwise stated</i>		
Outstanding for a period exceeding six months from the date they become due for payment		
Considered good	-	-
Sub-Total	-	-
Outstanding for a period less than six months from the date they become due for payment		
Considered good	1,150	1,215
Sub-Total	1,150	1,215
Total	1,150	1,215



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 11 - Cash and Bank Balances

	31st March 2019	31st March 2018
	In Rs.	In Rs.
Cash and Cash Equivalents		
Balances with Banks:		
In current accounts	18,515,141	34,678,163
Cash on hand	24,172	18,758
Total	18,539,313	34,696,921

Note: 12 - Revenue from Operations

	2018-19	2017-18
	In Rs.	In Rs.
Operating Income		
Membership- Council Member	1,874,000	1,856,000
Membership- Registered Textile Exporter (RTE)	13,571,000	14,104,500
Sub -Total	15,445,000	15,960,500
Other Operating Income		
Certificate of origin charges	277,494	289,261
Export Performance Charges	277,500	336,000
Sub-Total	554,994	625,261
Total	15,999,994	16,585,761

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: 13 - Government Grants		
	2018-19	2017-18
	In Rs	In Rs
- Market Access Initiative (MAI) grant from Government of India for Participation in Fairs / Exhibitions and Market Studies etc.	26,514,454	24,760,847
- Market Access Initiative (MAI) grant from Government of India for Participation in Fairs / Exhibitions and Market Studies etc. of earlier years	-	-
- other Market Access Initiative (MAI) grants from Government of India	-	1,540,000
- towards Legal and Quota Administration Expenditure	-	-
- towards Legal and Quota Administration Expenditure of earlier years	-	-
Sub -Total	26,514,454	26,300,847
Refund of Market Access Initiative (MAI) grant	(2,925,000)	(410,000)
Sub -Total	(2,925,000)	(410,000)
Total	23,589,454	25,890,847

Note : 14 - Other Income		
	2018-19	2017-18
	In Rs	In Rs
<u>Interest Income on Investments</u>		
8% Government of India Taxable Bonds	4,939,804	4,582,400
Tax Free Bonds	2,061,119	2,061,119
Fixed Deposits with Financial Institutions (Current & Non Current)	24,173,290	29,496,246
From Bank	1,628,788	237,950
From Perpetual bonds of Banks	2,123,500	578,304
Taxable Bonds	354,800	-
Incentive on Investment	83,880	240,000
Rent Income	9,999,777	13,591,257
Advertisement Income	59,240	85,901
Fluctuation gain on Foreign Currency	-	28,378
Other Income	157,718	57,649
Total	45,581,916	50,959,204



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 15 - Exhibition & Buyer Seller Meet Expenses (net)		
	2018-19	2017-18
	In Rs	In Rs
Exhibition Expenses & Buyer Seller Meet	72,373,133	82,580,304
Less: Contribution from Exporters	(43,815,853)	(55,023,162)
Total	28,557,280	27,557,142

Note 16 - Printing ,Publicity and Awards Expenses (net)		
	2018-19	2017-18
	In Rs	In Rs
Printing of Reports, Publicity, Gift Articles, Awards etc.	6,578,094	5,055,776
Less: Advertisement / Sponsorship recovery from exporters	(4,700,944)	(4,500,000)
Total	1,877,150	555,776

Note 17 - Delegation, Seminar and Market Survey Expenses (net)		
	2018-19	2017-18
	In Rs	In Rs
Delegation, Seminar and Market Survey Expense	7,099,042	3,801,106
Less: Contribution from exporters	(1,109,500)	-
Total	5,989,542	3,801,106

Note 18 - Employee Benefit Expenses		
	2018-19	2017-18
	In Rs	In Rs
Salaries & allowances	17,093,248	16,351,968
Payment to contractual employees	5,329,044	4,951,773
Leave Encashment Benefit	1,907,960	1,259,526
Contribution to provident fund	1,319,607	1,245,353
Contribution to group gratuity scheme	810,054	-
Staff welfare expenses	66,702	118,077
Total	26,526,615	23,926,697

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 19 - Other Expenses

	2018-19	2017-18
	In Rs	In Rs
Travelling Expenses	4,304,292	4,285,326
Advertisement Expenses	770,000	1,150,875
Rent	5,086,259	4,328,974
Rates & Taxes	625,672	710,594
Legal & Professional Charges	3,129,680	1,939,075
Electricity Expenses	922,585	971,481
Printing & Stationery	456,189	390,931
Auditor's Remuneration (Refer Note below)	250,000	250,000
Internal Audit Fees	100,000	100,000
Repairs & Maintenance	826,120	807,621
Telephone Expenses	345,121	285,393
Amortization of premium / discount on investments	134,770	26,895
Postage & Courier	129,611	162,428
Website Charges	115,693	239,618
Meeting Expenses	534,236	447,897
Entertainment Expenses	93,923	94,191
Motor Car Expenses	569,209	572,056
Interest - Others	48,422	213,223
Fluctuation Loss on Foreign Currency	32,329	-
Other Expenses	1,776,887	1,180,729
Total	20,250,998	18,157,306

Note: Auditor's Remuneration break-up:

	2018-19	2017-18
	In Rs	In Rs
As auditor:		
Audit fee	250,000	250,000
Reimbursement of expenses	-	-
Total	250,000	250,000

Note 20. Disclosure in accordance with Revised AS – 15 on "Employee Benefits"

(A) Defined contribution plans

Particulars	31st March 2019	31st March 2018
	In Rs	In Rs
Contribution to Provident Fund	1,319,607	1,245,353



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) Defined benefit plans – Gratuity

The following disclosure is as per valuation report as at the Balance Sheet date, carried by an independent actuary:

Particulars	31st March 2019	31st March 2018
Actuarial assumptions		
Discount rate	7.35%	7.70%
Expected return on plan assets	7.50%	7.50%
Salary escalation	8.00%	8.00%
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	12,078,151	11,137,732
Current service cost	380,142	378,402
Interest cost	718,622	619,922
Benefits paid	-	-
Actuarial losses/(gains)	447,535	(57,905)
Present value of DBO at the end of the year	13,624,450	12,078,151
Change in fair value of plan assets during the year		
Fair value of Plan assets at beginning of the year	12,157,670	9,151,779
Expected return on plan assets	714,910	505,925
Current service cost	-	-
Contribution	-	1,985,953
Interest cost	-	-
Benefits paid	-	-
Actuarial losses/(gains)	(58,184)	514,013
Fair value of plan assets at the end of the year	12,814,396	12,157,670
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of defined benefit obligations at the end of the year	13,624,450	12,078,151
Fair value of Plan Assets at the end of the year	12,814,396	12,157,670
Funded status [Surplus / (Deficit)]	(810,054)	79,519
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(810,054)	79,519
Expenses recognised in the Statement of Income and Expenditure		
Current service cost	380,142	378,402
Interest cost	718,622	619,922
Expected return on plan assets	(714,910)	(505,925)
Net actuarial Loss recognized in the Statement of Income and Expenditure	505,719	(571,918)
Total expenses recognised in Statement of Income and Expenditure*	889,573	(79,519)
The contributions expected to be paid to the plan during the annual period	1,000,000	1,000,000

* Surplus for excess funded as at balance sheet date is not posted to Statement of Income and Expenditure account

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Gratuity	2018-2019	2017-2018
Present value of DBO	13,624,450	12,078,151
Fair value of plan assets	12,814,396	12,157,670
Funded status [Surplus / (Deficit)]*	(810,054)	79,519
Experience gain / (loss) adjustments on plan liabilities	265,319	185,663
Experience gain / (loss) adjustments on plan assets	(58,184)	514,013

(C) Defined Benefit Plans – Leave Entitlement (unfunded)

The following disclosure is as per valuation report as at the Balance Sheet date, carried by an independent actuary:

Rupees

Particulars	2018-2019	2017-2018
Actuarial assumptions		
Discount rate	7.35%	7.70%
Expected return on plan assets	7.50%	7.50%
Salary escalation	8.00%	8.00%
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	11,609,788	11,137,732
Present value of DBO at the end of the year	13,045,968	11,609,788

Note 21 - MDA GRANTS FOR DISBURSEMENT TO EXPORTERS

Particulars	2018-2019	2017-2018
	In Rs	In Rs
As per last Balance Sheet	-	3,378,175
Add : Receipts during the year	4,147,864	-
Less : Disbursed during the year	(4,147,864)	(3,378,175)
Less : Refunded / refundable / adjusted during the year		
MDA Grant to be disbursed to Exporters	-	-

Note 22 - Related Party Disclosure

In compliance with Accounting Standard 18 - "Related Party Disclosures" and relevant provisions of Companies act 2013, the required disclosures are given in the table below:

Names of the related party and relationship:	
Related Party	Nature of relationship
Dr. Siddhartha Rajagopal - Executive Director	Key Management Personnel



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of transactions with related parties are as follows:

Name of the related party	Nature of transaction	31st March 2019	31st March 2018
		In Rs	In Rs
Dr. Siddhartha Rajagopal Executive Director	Salary and Allowances	6,044,979	5,157,994
	Contribution to Provident Fund	464,678	436,505
	Perquisite in Cash or in kind	478,799	420,832
	Reimbursements of expenses	56,277	65,362
	Total	7,044,733	6,080,693

Note: The remuneration to the key managerial personnel does not include the provisions made for Gratuity and Compensated Absence, as they are determined on an actuarial basis for the Council as a whole.

Note 23 - The Council is classified as a 'Small and Medium-Sized Council' (SMC) as defined in Clause 2 (f) of the Companies (Accounting Standards) Rules, 2006 and accordingly the Council has complied with the Accounting Standards as applicable to SMC.

Note 24 - There are no Micro, Small & Medium Enterprises, to whom the Council owes dues on account of principal amount together with interest as at the Balance sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Council.

Note 25 - Contingent Liabilities and commitments (to the extent not provided for)

The Income Tax Department had denied the benefit under section 11 to the Council for Assessment Year 2009-10. However, Hon'ble Tribunal had reversed the order of the Commissioner of Income Tax for the aforesaid year had held that provisions of section 11 are applicable to the Council. Similarly, the tax department's action of withdrawal of the council's registration under section 12AA w.e.f. Assessment Year 2009-10 had also been set aside by the Hon'ble Tribunal. However the Income Tax department has filed petition in the Mumbai High Court against the said tribunal order. The petition has been rejected by the honourable high court vide order dated 14 February 2017 and review petition being rejected on 29th November 2017. The department has filed special leave petition in Supreme court against the set aside order of Mumbai High Court. The council has filed counter affidavit in Supreme court on 18th January 2019. Hearing to the counter affidavit has not been held till the date of filing of the financials. Additionally the tribunal's order has not been affected by the assessing officer as at date of signing of the balance sheet. The Income Tax Department had also denied the benefit of section 11 to the Council for the assessment years 2010-11, 2011-12, 2013-14, 2014-15, 2015-16 and 2016-17. The Council has already filed an appeal against the said order with Commissioner of Income Tax (Appeals). In the opinion of the management of the Council the activities of the Council are in the nature of charitable purpose in accordance with section 2(15) and accordingly the provisions of section 11 would apply to the Council. In view of the above, no provision for taxation has been made by the Council for the financial year 2015-16 or for earlier years amounting to Rs. 8,11,99,205/-, (Previous year Rs.7,02,70,918 /-). The management of the council, having regard to favourable decision of the Hon'ble High Court, merits of the case is hopeful of favourable outcome of the matter and has assessed the liability to be contingent in nature.

Note 26 - 'Earnest Money Deposit Received', are subject to confirmation from the respective parties and consequential reconciliation / adjustment arising there from, if any. The management, however, does not expect any material variation. Earnest Money Deposit includes amount collected by council from members in earlier years for non fulfilment of export obligation not forfeited as on date.

Note 27 - Expenditure in foreign currency on account of Statistical Data, Delegation and Exhibition Expenses is Rs.53,225,976/- (Previous Year Rs. 615,77,293/-).

Note 28 - In the year 2010, the Co-Operative Society in which the Council has a residential property as a member entered in to a Re-development agreement with a builder. As per the agreement the Council has received Rs. 32,16,136/- (Previous Year Rs. 32,16,136/-) towards compensation. The said amount is disclosed as a liability pending resolution of certain disputes of the Society with the builder, and is not adjusted to the cost of the asset.

Note 29 -The Council has entered into operating lease agreement as a lessee for premises. The lease rentals recognized as an expense in the Statement of Income and Expenditure Statement during the year and the future minimum lease payments under non-cancellable operating lease for period ranging from 11 months to 36 months are as follows:

Particulars	31st March 2019	31st March 2018
	In Rs	In Rs
Lease Rentals (Included in Other Expenses Note -19)	5,086,259	4,328,974
Obligation of Non - Cancellable Lease		
Not Later than One Year	4,810,000	4,084,000
Later than one year but not later than five years	18,584,000	14,784,000

Note 30 - The Council has entered into operating lease agreements as a lessor for various premises. The lease rentals recognized as income in the Statement of Profit and Loss Account during the year and the future minimum lease payments under non-cancellable operating lease for period ranging from 11 months to 60 months are as follows :

Particulars	31st March 2019	31st March 2018
	In Rs	In Rs
Lease Income (Included in Other Income Note - 14)	9,999,777	13,591,257
Receivable on Non - Cancellable Lease		
Not Later than One Year	10,213,800	8,647,400
Later than one year but not later than five years	26,696,250	32,733,150

Note 31 - Previous year's figures have been re-arranged, reclassified and regrouped wherever considered necessary.

As per our report of even date attached

For Nipun Sudhir & Associates
Firm Registration No. 0126168W
Chartered Accountants

Nipun Shah
Partner
Membership No: 41117

Dr. Siddhartha Rajagopal
Executive Director

For on behalf of Board of Directors of
The Cotton Textiles Export Promotion Council

Dr. K V Srinivasan Manoj Patodia
Chairman Vice Chairman

Date: 3rd August, 2019
Place: Mumbai

N. Ravindranathan
Director

Tushar Ruparelia } Committee
Umesh Lahoti Members



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

CIN: U91110 MH 1954 NPL009385

(Regd. Office:-Engineering Centre, 5th Floor, 9 Mathew Road, Mumbai-400004)

ATTENDANCE SLIP

**PLEASE COMPLETE THE ATTENDANCE SLIP & HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
65th Annual General Meeting on Saturday, 21st September, 2019**

NAME OF THE MEMBER: _____

MEMBERSHIP NO. (to be filled by Member/Proxy) _____

I certify that I am a Member/Proxy for the Member of the Council

I hereby accord my presence, at the 65th Annual General Meeting of the Council held at 11.30 A.M., on Saturday, 21st September, 2019 at "Gallery South", Hotel Four Seasons, Worli, Mumbai - 400013

Signature (of Member/Proxy) _____

PROXY

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

CIN: U91110 MH 1954 NPL009385

(Regd. Office:-Engineering Centre, 5th Floor, 9 Mathew Road, Mumbai-400004)

65th Annual General Meeting on Saturday, 21st September, 2019

Name of the Member (s) (Firm/Company): _____

Membership No & Region:- _____

Registered Address: _____

E-mail Id: _____

I / we, being the member (s) of The Cotton Textiles Export Promotion Council, hereby appoint

1. Name of the Person: _____ Membership No. _____ of
M/s. _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him

2. Name of the Person: _____ Membership No. _____ of
M/s. _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him

3. Name of the Person: _____ Membership No. _____ of
M/s. _____

Address: _____

E-mail Id: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me/us and on resolutions (other than Election of Executive Committee Members of the Council) at the 65th Annual General Meeting of the Council to be held on 21st September, 2019, Saturday at 11.30 A.M. at "Gallery South", Hotel Four Seasons, Worli, Mumbai - 400013 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2019.

Signature of the said Member(s) _____ Signature of Proxy Holder 1. _____

Signature of Proxy Holder 2. _____ Signature of Proxy Holder 3. _____

Note: 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Council, not less than 48 hours before the commencement of the Meeting.

2. The Proxy need not be a member of the Council.

NOTES





THE COTTON TEXTILES EXPORT PROMOTION COUNCIL REWARDING EXCELLENCE IN EXPORTS



Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles & Women and Child Development, with the Award Winners

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

PAST CHAIRMEN

PERIOD	NAME OF PAST CHAIRMAN
1954 - 1966	(Late) Shri Neville N. Wadia
1966 - 1975	(Late) Shri K. M. D. Thackersey
1975 - 1977	Shri Nusli N. Wadia
1977 - 1979	(Late) Shri Babubhai C. Shroff
1979 - 1981	Shri Sudhir K. Thackersey
1981 - 1983	(Late) Shri R. S. Mehra
1983 - 1984	(Late) Shri Ajay Chimanbhai
1984 - 1986	Shri M. M. Sheth
1986 - 1988	Shri J. P. Goenka
1988 - 1990	Shri P. D. Patodia
1990 - 1992	(Late) Dr. Mohanlal Piramal
1992 - 1994	(Late) Shri R. S. Mehra
1994 - 1996	Shri Sudhir K. Thackersey
1996 - 1998	(Late) Shri G. Devarajan
1998 - 2000	(Late) Shri D. S. Alva
2000 - 2002	Shri T. Kannan
2002 - 2004	Shri Lalit P. Desai
2004 - 2006	Shri B. K. Patodia
2006 - 2008	Shri Prem Malik
2008 - 2010	Shri V. S. Velayutham
2010 - 2012	Shri Amit Ruparelia
2012 - 2014	(Late) Shri Manikam Ramaswami
2014 - 2016	Shri R. K. Dalmia
2016 - 2018	Shri Ujwal Lahoti



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

HEAD OFFICE

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai-400 004

Dr. Siddhartha Rajagopal : Executive Director

Shri N Ravindranathan : Director

Shri Rajesh S Satam : Joint Director

Shri Shailesh Martis : Joint Director

Shri A Ravindra Kumar : Joint Director

Shri Sanjay Rane : Joint Director

Shri Rakesh Chinthali : IT Officer

Mrs. Smita Dalvi : Administrative Officer

Mrs. Deepa Kini : Executive Secretary to ED

REGIONAL OFFICE

New Delhi

Shri K. Raju : Regional Officer

OTHER STAFF : 12



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