



# TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

*(Sponsored by Government of India)*

AN ISO 9001 : 2015 CERTIFIED COMPANY



# 66<sup>TH</sup>

## ANNUAL REPORT 2019-20



from farm to fashion

[www.texprocil.org](http://www.texprocil.org)

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## COMMITTEE OF ADMINISTRATION 2019-2020

Dr. K. V. Srinivasan, Chairman  
Shri Manoj Kumar Patodia, Vice Chairman  
(Late) Shri D. L. Sharma (Deceased on 10.09.2020)  
Shri Umang Patodia  
Shri Ketan Manek  
Shri Tushar Ruparelia  
Shri K. Hari Thiagarajan  
Shri Aditya Krishna Pathy  
Ms. Mridula Ramesh  
Shri Vijaykumar Agarwal  
Shri Sharad Kumar Saraf  
Shri Umesh R. Lahoti  
Shri Ashish Mehrishi  
Shri Sanjay K. Rathi  
Shri Suresh K. Khandelua  
Shri Viren Todi (Member since 21.09.2019)  
Shri Payonidh Parekh (Member since 21.09.2019)  
Shri K. K. Lalpuria (Member since 21.09.2019)  
Shri Prakash M. Shah (Member till 21.09.2019)  
Shri M. Sivakannan (Member till 21.09.2019)  
Ms. Aditi Das Rout, Trade Advisor, Ministry of Textiles  
Shri Moloy Chandan Chakraborty, Textile Commissioner  
Shri Parag H. Udani  
Shri Ashwin Chandran  
Shri Maninarayan Velayutham  
Shri Vishnukumar Jalan  
Shri T. Rajkumar (Member since 21.12.2019)  
Shri V. Sudhakar Chowdhary (Member since 21.12.2019)  
Shri Sanjay K. Jain (Member till 21.09.2019)  
Shri P. Nataraj (Member till 21.09.2019)

### 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 66th Annual General Meeting of the Members of the Council will be held at 11.30 A.M on Saturday, 5th December, 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM), 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 2019-20 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 66th Report of the Committee for the year 2019-20, 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 Sharad Kumar Saraf 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 Vijay Kumar Agarwal 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 S K Khandelia 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 to fill the vacancy in the category with an Export Qualification above Rs.50 Crores arising on account of the demise of serving member (Late) Shri D L Sharma.
7. To elect a Member of the Committee of Administration of the Council in place of Shri Manoj Kumar Patodia 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 in place of Ms. Mridula Ramesh 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.
9. To elect a Member of the Committee of Administration of the Council in place of Shri Ketan Manek in the category with an Export Qualification between Rs.5 Crores to Rs.15 Crores who retires by rotation and is ineligible for re-election as per Articles 56 (f) of the Articles of Association of the Council, having completed three terms as member of the Committee of Administration at the end of this Annual General Meeting.
10. 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.
11. To consider any other business with the permission of Chair.

By Order of the Committee

**DR. SIDDHARTHA RAJAGOPAL**  
**EXECUTIVE DIRECTOR**  
**DIN : 06720149**

Mumbai, 19th October 2020

## Annexure to the Notice of the Annual General Meeting

### Notes to Members on Elections

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. The facility for voting, through electronic voting system shall be made available (excluding item No. 3 to 9 of ordinary business of the Notice) at the meeting.
5. The Register of Members of the Council will be closed from 26.11.2020 to 05.12.2020 (both days inclusive).
6. Members are requested to notify change of their address or email address.
7. 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](mailto:info@texprocil.org) so as to enable the management to keep the information ready at 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 evoting 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 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 9 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 can be downloaded from the link <https://www.evoting.nsdl.com> or [www.texprocil.org](http://www.texprocil.org).

The e-voting period commences on December 2, 2020 (10:00 am) and ends on December 4, 2020 (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](http://www.evoting.nsdl.com)

If you are still unable to get the password, you can send a request at [evoting@nsdl.co.in](mailto: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.25.11.2020 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](mailto: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](http://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 2019-2020

Uncertainty gripped World Trade in the first half of 2020 to an unprecedented extent with the Covid-19 pandemic causing a heavy loss of human lives, coupled with large scale lockdowns to arrest the corona virus, thereby badly affecting the economic activity on a global scale. In major markets, the retailers announced store closures bringing along with it a complete shutdown of manufacturing and logistics supply chain activities. A confluence of factors-including a slowdown in investment, increased trade tensions, lower consumption/ spending, cash-flow constraints and management-seem to have contributed to the sizable decline in demand.

India, the fifth largest economy in 2019 and aspiring to be the third largest in the world by 2025, is also seen struggling to shield itself against the trade uncertainty. In order to mitigate the hardships caused by a spreading pandemic, the Government of India announced stimulus packages comprising of a moratorium on loans, redefining the criteria for Small & Medium Enterprises (SME's) and placing emphasis on an "ATMANIRBHAR BHARAT" (SELF RELIANT INDIA).

In order to stay competitive in the post COVID-19 era as reduction in demand and the excess capacity burden weighed heavily on their business, the trade and industry, re-assessed the existing costs and price structures, leveraged the surging demand for Personal Protective Equipment (PPE) scaling new peaks of excellence in less than one hundred (100) days and continuously engaging with existing clients and vendors.

With global economic recovery expected to be gradual for much of the current fiscal year, pick up in trade growth can be expected by the 2nd or 3rd quarter of 2021.



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

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles and Women & Child Development, (Right)  
being greeted by Dr. K. V. Srinivasan, Chairman, TEXPROCIL (Left)  
at the Council's Annual Export Award Function held in Mumbai on 16th January 2020.

## WORLD MERCHANDISE TRADE

The value of world merchandise exports decreased to US\$ 18.88 trillion in 2019 from US\$ 19.46 trillion in 2018 i.e. a decline of (-) 2.98% mainly on account of trade tensions and slow economic growth.

However, the share of textile and clothing in overall merchandise trade in 2019 increased marginally to 4.16% from 4.12% in 2018 as shown in Table I.

Table I: WORLD MERCHANDISE TRADE AND TEXTILE & CLOTHING EXPORTS			
	Value in US \$ Billion		
Category	2017	2018	2019
World Merchandise Trade	17738	19468	18888
World Textile & Clothing Exports	760	802	785
% Share of Textile & Clothing in World Merchandise Trade	4.28%	4.12%	4.16%
% Growth in Merchandise Trade	10.57%	9.75%	-2.98%
% Growth in Textile & Clothing Exports	4.06%	5.55%	-2.13%
Source: WTO & GTA Estimates			



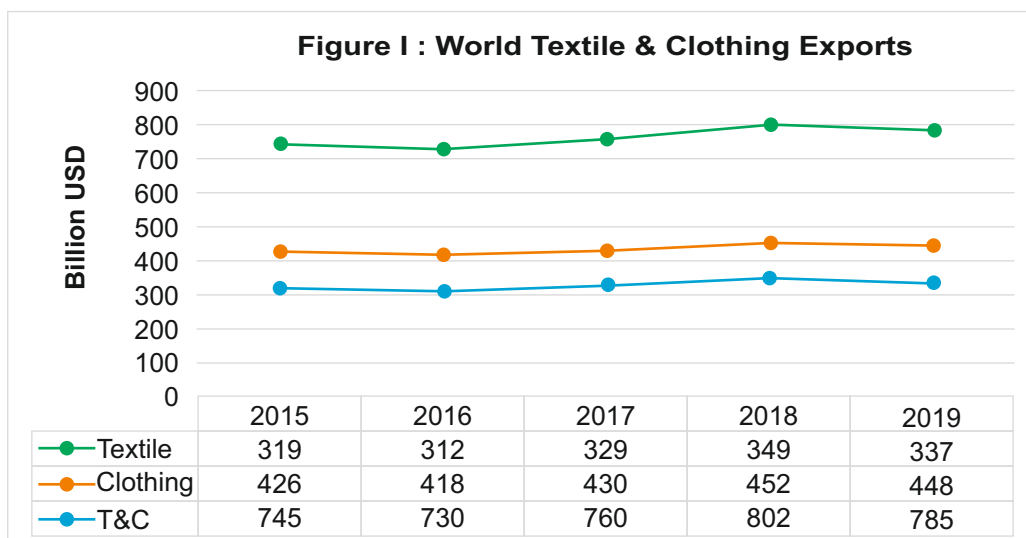
### REETING THE SECRETARY, MINISTRY of TEXTILES

Shri Ravi Capoor, IAS, Secretary, Ministry of Textiles (Right) being greeted at his office in New Delhi by Dr. K. V. Srinivasan, Chairman, TEXPROCIL (Centre) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (Left).



## WORLD TRADE IN TEXTILE AND CLOTHING

The world trade in textile and clothing reported a decline of (-) 2.13% in 2019 over the previous year, reaching a level of USD 785 billion. Out of this, clothing accounts for 57% share of the world trade, while textile accounts for a 43% share.



## WORLD COTTON DAY @ WORLD TRADE ORGANISATION (WTO), GENEVA

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles and Women & Child Development (Centre) represented India at the World Cotton Day Celebrations at WTO Headquarters in Geneva. Seen in the picture along with the Ministerial team, Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (2nd from right) alongwith Shri. N Ravindranathan, Director, TEXPROCIL (extreme right) attending the event.

## DIRECTION OF REGIONAL TRADE

In keeping with the declining trend in global trade, regional flows in trade also recorded a negative growth during this period as shown in Table II.

Table I: WORLD MERCHANDISE TRADE AND TEXTILE & CLOTHING EXPORTS					
Value in US \$ Billion					
Region	2016	2017	2018	2019 (E)%	Growth (Y-O-Y)
Intra EU(28)	52.16	55.00	58.58	55.19	-5.77%
Intra-Asia	84.98	88.90	93.00	87.13	-6.31%
Asia to Europe	26.81	28.33	31.35	30.25	-3.53%
Asia to North America	25.72	26.95	30.25	28.91	-4.40%
Intra - North America	10.36	10.67	10.88	10.23	-5.98%
North America to LAC	3.33	3.53	3.89	3.62	-7.07%

Source: Up to 2017 WTO, 2018, 2019 figures are estimated by GTA, Geneva

An analysis of regional trade flows shows that Intra EU (28) declined by (-) 5.77% reaching USD 55.19 billion. Intra-Asia trade recorded a negative growth of (-) 6.31% reaching USD 87.13 billion.

During this period, Asian and North American trade also declined by (-) 4.40% reaching a level of USD 28.91 billion during 2019. North America was one of the biggest contributors to the weakness of regional trade flows in 2019 with a decline of (-) 5.98% from a level of USD 10.88 billion in 2018 to USD 10.23 billion in the year. Trade level between North America and Latin American Countries (LAC) has reported a decline of (-) 7.07% in 2019.



### TEXPROCIL @ MEETING WITH HON'BLE FINANCE MINISTER

A Joint Delegation from TEXPROCIL & CITI had a meeting with Smt. Nirmala Sitaraman, Hon'ble Union Minister of Finance on 18th September 2019. Shri Manoj Kumar Patodia, Vice Chairman, TEXPROCIL (4th from right) also participated in the discussions at the meeting.

## INDIA'S POSITION IN GLOBAL TEXTILE AND CLOTHING TRADE

The top ten suppliers of textile and clothing, exported goods worth USD 545.03 billion to the world during the period January-December 2019, accounting for a share of 69.42% as shown in Table III.

**Table III: MAJOR EXPORTERS OF TEXTILES & CLOTHING**

Country	Billion United States Dollars			% Share	% Change 2019/2018
	2017	2018	2019	2019	
<b>World</b>	<b>760.01</b>	<b>802.17</b>	<b>785.07</b>	<b>100.00</b>	<b>-2.13</b>
China	258.46	266.54	260.57	33.19	-2.24
Vietnam	33.10	37.81	41.05	5.23	8.54
Bangladesh	35.18	39.31	40.91	5.21	4.07
Germany	35.09	38.89	38.24	4.87	-1.66
Italy	33.99	36.62	35.91	4.57	-1.94
<b>India</b>	<b>37.44</b>	<b>37.15</b>	<b>35.50</b>	<b>4.52</b>	<b>-4.44</b>
Turkey	26.83	27.87	28.57	3.64	2.52
United States	25.88	27.17	26.13	3.33	-3.85
Netherlands	16.73	18.93	19.50	2.48	3.03
Spain	18.64	19.15	18.64	2.37	-2.67
Total of Top 10	521.35	549.44	545.03	69.42	
Source: GTA					

## OBSERVATIONS

- In 2019, India achieved a level of USD 35.50 billion in exports of textiles and clothing, a decline of (-) 4.44% over the previous year. It's share in world trade in textile and clothing is estimated to be 4.52% in 2019.
- China's textile and clothing export amounted to USD 260.57 billion, registering a decline of (-) 2.24%. China is still leading in textile and clothing exports with a share of 33.19%.
- Amongst the top ten markets, Vietnam reported the highest growth with a growth rate of 8.54% during January - December 2019.
- Exports from Bangladesh grew by 4.07% during 2019.
- Exports from Turkey, and Netherlands also recorded positive growth during 2019.

## MAJOR EXPORTERS OF TEXTILES

The top ten suppliers of textiles exported goods worth USD 237.04 billion globally during the period January-December 2019, accounting for a share of 70.28% as shown in Table IV.

Table IV: MAJOR EXPORTERS OF TEXTILES					
Country	Billion United States Dollars			% Share	% Change 2019/2018
	2017	2018	2019	2019	
<b>World</b>	<b>329.08</b>	<b>349.42</b>	<b>337.28</b>	<b>100.00</b>	<b>-3.48</b>
China	112.43	121.48	122.34	36.27	0.70
United States	20.90	21.88	20.91	6.20	-4.41
<b>India</b>	<b>20.01</b>	<b>21.46</b>	<b>19.25</b>	<b>5.71</b>	<b>-10.31</b>
Germany	14.77	15.51	14.40	4.27	-7.13
Turkey	12.04	12.57	12.51	3.71	-0.50
Italy	12.54	13.23	12.15	3.60	-8.22
South Korea	11.42	11.66	10.74	3.18	-7.90
Taiwan	9.50	9.52	8.68	2.57	-8.83
Vietnam	6.69	7.62	8.25	2.45	8.22
Pakistan	8.02	8.13	7.82	2.32	-3.72
Total of Top 10	228.31	243.06	237.04	70.28	
Source: GTA					

## OBSERVATIONS

- World trade in textiles reported a decline of (-) 3.48% in 2019, declining from USD 349.42 billion during January-December 2018 to USD 337.28 billion during January-December 2019 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 19.25 billion in January-December 2019 with a share of 5.71% in world trade in these items. However India's textile exports in 2019 declined by (-) 10.31%.
- China, the leading exporter of textiles to the world, reported a slight growth of 0.70% with an export level of USD 122.34 billion during January-December 2019. United States being the second largest exporter, reported a decline of (-) 4.41%.
- Exports from Germany (ranked 4th) reported a decline of (-) 7.13% during January-December 2019.
- Amongst the top ten markets, Vietnam reported the highest growth with a growth rate of 8.22% during January - December 2019.
- Turkey (ranked 5th) reported a decline of (-) 0.50% followed by Italy, South Korea, Taiwan, and Pakistan, all recording a declining trend.

## MAJOR IMPORTERS OF TEXTILES

The top ten importing countries had a cumulative share of 52.25% in world textile imports during the period January-December 2019 as shown in Table V.

Table V: MAJOR IMPORTERS OF TEXTILES					
Country	Billion United States Dollars			% Share	% Change 2019/2018
	2017	2018	2019	2019	
<b>World</b>	<b>279.13</b>	<b>297.91</b>	<b>282.91</b>	<b>100.00</b>	<b>-5.03</b>
United States	28.91	30.95	30.65	10.83	-0.96
China	24.43	26.61	24.05	8.50	-9.61
Vietnam	20.75	23.13	23.13	8.17	-0.01
Germany	14.68	15.33	14.30	5.05	-6.71
Bangladesh	10.91	12.60	11.92	4.21	-5.39
Italy	9.85	10.25	9.42	3.33	-8.16
Japan	8.68	9.27	9.16	3.24	-1.11
Turkey	9.77	8.78	9.03	3.19	2.88
Indonesia	8.23	9.16	8.52	3.01	-6.99
United Kingdom	7.66	7.94	7.65	2.70	-3.76
Total of Top 10	143.86	154.02	147.83	52.25	
Source: GTA					

## OBSERVATIONS

- In 2019, world textile imports reported a decline of (-) 5.03% valued at USD 282.91 billion as shown in Table V.
- USA was the largest importer of textiles in 2019, with imports reaching a level of USD 30.65 billion.
- China being the 2nd leading importer of textiles in the world, reported a decline of (-) 9.61% with an import level of USD 24.05 billion during January-December 2019.
- Vietnam imported textiles worth USD 23.13 billion, reporting a slight decline of (-) 0.01%.
- Turkey reported a growth of 2.88% during January-December 2019.
- Germany, Bangladesh, Italy, Japan, Indonesia and United Kingdom reported negative growth in import of textiles during this period.



## GLOBAL TRADE IN COTTON TEXTILE PRODUCTS

**Table VI: Global Trade in Cotton Textile Products**

Category	Value in Billion United States Dollar						% Growth			
	2017		2018		2019		2018/2017		2019/2018	
	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton
Yarn	44.39	13.77	48.92	14.57	44.78	12.90	10.21	5.81	-8.46	-11.46
Fabrics	163.10	57.51	171.17	59.70	166.31	56.76	4.95	3.81	-2.84	-4.92
Madeups	90.20	46.61	94.49	48.51	93.31	47.84	4.76	4.08	-1.25	-1.38
<b>TOTAL</b>	<b>297.69</b>	<b>117.89</b>	<b>314.58</b>	<b>122.78</b>	<b>304.40</b>	<b>117.50</b>	<b>5.67</b>	<b>4.15</b>	<b>-3.24</b>	<b>-4.30</b>
<b>Exports from India</b>										
Yarn	5.47	3.45	6.14	3.93	4.88	2.91	12.25	13.91	-20.52	-25.95
Fabrics	5.09	2.11	5.13	2.35	5.48	2.51	0.79	11.37	6.82	6.81
Madeups	7.25	5.26	7.47	5.19	7.39	5.15	3.03	-1.33	-1.07	-0.77
<b>TOTAL</b>	<b>17.81</b>	<b>10.82</b>	<b>18.74</b>	<b>11.47</b>	<b>17.75</b>	<b>10.57</b>	<b>5.22</b>	<b>6.01</b>	<b>-5.28</b>	<b>-7.85</b>
<b>India's Share in World Exports</b>										
Yarn	12.32	25.05	12.55	26.97	10.90	22.56	-	-	-	-
Fabrics	3.12	3.67	3.00	3.94	3.30	4.42	-	-	-	-
Madeups	8.04	11.29	7.91	10.70	7.92	10.77	-	-	-	-
<b>TOTAL</b>	<b>5.98</b>	<b>9.18</b>	<b>5.96</b>	<b>9.34</b>	<b>5.83</b>	<b>9.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: GTA

## OBSERVATIONS

- World textiles trade comprising Yarn, Fabrics and Made-up (all fibres) reported a decline of (-) 3.24%, reaching a level of USD 304.40 billion during January-December 2019, with the trade in cotton textiles falling by (-) 4.30% and reaching a level of USD 117.50 billion.
- Cotton fabrics (USD 56.76 billion) accounted for 48.31% share in global trade of cotton textiles while cotton made-ups (USD 47.84 billion) and cotton yarn (USD 12.90 billion) accounting for 40.71% and 10.98% of total world trade in these items, respectively.
- During this period India exported textile products (all fibers) worth USD 17.75 billion and cotton textile products worth USD 10.57 billion. Exports of these items declined by (-) 5.28% and (-) 7.85% over the previous year respectively.
- Global export of cotton yarn during January-December 2019 reached a level of USD 12.90 billion, decreasing from USD 14.57 billion marking a drop of (-) 11.46%. Exports of all types of yarns from the World also declined by (-) 8.46% during 2019.
- As the largest exporter, India's exports of cotton yarn reached a level of USD 2.91 billion decreasing from USD 3.93 billion, falling by (-) 25.95% during January-December 2019. Exports of all types of yarns from India too declined by (-) 20.52% in 2019.
- India's exports of all fabrics grew by 6.82% increasing to USD 5.48 billion in January-December 2019 from USD 5.13 billion in January-December 2018. In case of cotton fabrics, India's exports reported a growth of 6.81% during 2019, whereas the global trade showed a decline of (-) 4.92%.
- India's exports of made-ups (all fibres) has declined by (-) 1.07% during the period January-December 2019. In the case of cotton made-ups, exports from India has slightly declined by (-) 0.77%.
- Cotton made-ups dominated the Indian cotton textiles basket with a share of 48.72%, followed by cotton yarns (27.53%) and cotton fabrics (23.75%).

## TEXTILE AND CLOTHING IMPORT TRENDS IN MAJOR MARKETS

### TEXTILE AND CLOTHING IMPORT TRENDS IN USA

Table VII: USA Imports of Textile and Clothing					
Details	2017	2018	2019	Jan/May 2019	Jan/May 2020
Textiles (Bn. USD)	28.91	30.94	30.65	12.70	15.58
% Growth	2.77%	7.02%	-0.94%	4.01%	22.68%
Clothing (Bn. USD)	80.78	83.83	84.72	33.48	24.91
% Growth	-0.68%	3.78%	1.06%	5.58%	-25.60%
T & C (Bn. USD)	109.69	114.77	115.37	46.18	40.49
% Growth	0.21%	4.63%	0.52%	5.14%	-12.32%

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

### OBSERVATIONS

- Overall, the Textile and Clothing import in USA reported a slight growth of 0.52% during January-December 2019 valued at USD 115.37 billion as shown in Table VII.
- Textiles reported a decline of (-) 0.94% in 2019, declining from USD 30.94 billion during January-December 2018 to USD 30.65 billion during January-December 2019. Clothing imports have increased by 1.06% during the same period.
- During January-May 2020, US imports of Textiles has grown by 22.68% as compared to January-May 2019.
- Overall imports of Textile and Clothing in USA has declined by (-) 12.32% during the period January-May 2020.



### TEXPROCIL ORGANISED GROUP PARTICIPATION @ TEXWORLD, USA

Shri Sandeep Chakravorty, Consul General, CGI, New York (extreme right) is seen interacting with Indian exhibitors.

## MAJOR EXPORTERS OF TEXTILE & CLOTHING TO US

**TABLE VIII : Top 10 Exporters of Textiles and Clothing to USA**

Country	Value in Billion USD					% Growth		% Share	
	2017	2018	2019	Jan/May 2019	Jan/May 2020	Jan/Dec 2019/2018	Jan/May 2020/2019	2018	2019
<b>World</b>	<b>109.69</b>	<b>114.77</b>	<b>115.37</b>	<b>46.18</b>	<b>40.49</b>	<b>0.52</b>	<b>-12.32</b>	<b>100.00</b>	<b>100.00</b>
China	38.94	40.47	37.26	14.02	13.72	-7.93	-2.18	35.26	32.29
Vietnam	11.85	12.63	14.04	5.50	5.12	11.23	-6.87	11.00	12.17
<b>India</b>	<b>7.82</b>	<b>8.12</b>	<b>8.43</b>	<b>3.79</b>	<b>2.92</b>	<b>3.88</b>	<b>-23.04</b>	<b>7.07</b>	<b>7.31</b>
Bangladesh	5.14	5.49	5.96	2.59	2.27	8.68	-12.22	4.78	5.17
Mexico	5.37	5.26	5.15	2.16	1.63	-2.13	-24.48	4.58	4.46
Indonesia	4.78	4.73	4.66	2.02	1.73	-1.39	-14.65	4.12	4.04
Pakistan	2.80	2.91	3.08	1.29	1.08	6.07	-15.92	2.53	2.67
Honduras	2.58	2.71	2.95	1.12	0.69	9.08	-38.57	2.36	2.56
Cambodia	2.20	2.48	2.80	1.05	1.14	12.67	8.72	2.16	2.42
Italy	1.93	2.13	2.16	0.88	0.58	1.45	-33.56	1.86	1.87

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

## OBSERVATIONS

- Overall, the Textile and Clothing import into USA grew by 0.52% during January-December 2019 reaching a level of USD 115.37 billion as shown in Table VIII.
- The T&C market in USA has declined by (-) 12.32% in first five months of 2020, as shown in Table VIII.
- India ranked as the 3rd largest supplier after China and Vietnam in the USA market exporting textiles and clothing products worth USD 8.43 billion during 2019, registering a growth of 3.88% over the previous year. Exports in the period January-May of 2020 has declined by (-) 23.04% over the same period last year.
- China continued to dominate the US T&C market with a share of 32.29% during 2019, although its growth has declined during January-May 2020 by (-) 2.18%
- Vietnam has been increasing its share in USA T&C market (12.17%) rapidly with a growth rate of 11.23%. It exported T&C products worth USD 14.04 billion in 2019 and maintained its position as the second largest supplier after China. However, exports in the period January-May of 2020 have declined by (-) 6.87%.
- Exports from Bangladesh grew by 8.68% during January-December 2019. During first five months of 2020, Bangladesh exports have declined by (-) 12.22%.
- Indonesia reported a decline of (-) 1.39% during January-December 2019.
- Exports from Pakistan, Honduras, Cambodia and Italy also increased by 6.07%, 9.08%, 12.67%, and 1.45% respectively during the period January-December 2019.
- The top ten suppliers of textile and clothing to USA hold a collective share of 74.98% in textile and clothing imports.

## MAJOR EXPORTERS OF TEXTILES TO USA

**TABLE IX : Top 10 Exporters of Textiles to USA**

Country	Value in Billion USD					% Growth		% Share	
	2017	2018	2019	Jan/May 2019	Jan/May 2020	Jan/Dec 2019/2018	Jan/May 2020/2019	2018	2019
<b>World</b>	<b>28.91</b>	<b>30.94</b>	<b>30.65</b>	<b>12.70</b>	<b>15.58</b>	<b>-0.94</b>	<b>22.68</b>	<b>100.00</b>	<b>100.00</b>
China	11.67	12.78	11.84	4.74	8.33	-7.35	75.63	41.31	38.63
<b>India</b>	<b>4.11</b>	<b>4.26</b>	<b>4.34</b>	<b>1.82</b>	<b>1.49</b>	<b>1.87</b>	<b>-18.62</b>	<b>13.78</b>	<b>14.17</b>
Mexico	1.70	1.77	1.89	0.78	0.73	6.92	-6.08	5.71	6.16
Pakistan	1.50	1.51	1.60	0.69	0.58	5.51	-16.14	4.89	5.21
Turkey	1.08	1.21	1.30	0.51	0.54	7.67	5.47	3.91	4.25
Canada	1.25	1.24	1.14	0.48	0.43	-8.58	-10.90	4.02	3.71
S, Korea	0.94	1.03	1.12	0.49	0.45	8.03	-8.05	3.34	3.64
Germany	0.64	0.72	0.72	0.32	0.27	0.44	-13.33	2.32	2.35
Japan	0.61	0.63	0.67	0.28	0.26	5.53	-4.47	2.05	2.19
Taiwan	0.61	0.60	0.61	0.25	0.22	2.14	-11.83	1.94	2.00

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

## OBSERVATIONS

- Textile imports into USA has declined by (-) 0.94% in 2019 & has grown by 22.68% in the first five months of 2020, amounting to USD 30.65 billion and USD 15.58 billion respectively, as shown in Table IX.
- Imports of textiles from India to USA grew by 1.87% during 2019, amounting to USD 4.34 billion. During the period January-May 2020, India's exports of textiles has declined by (-) 18.62% over the same period last year.
- China had the largest share of 38.63% in textile imports into USA. It's exports have declined by (-) 7.35% accounting for USD 11.84 billion of the total imports of USD 30.65 billion in 2019. In the period January-May 2020, China reported the highest growth of 75.63% in its exports to USA.
- Textile exports from Mexico, Pakistan, Turkey, South Korea, Germany, Japan and Taiwan grew by 6.92%, 5.51%, 7.67%, 8.03%, 0.44%, 5.53% and 2.14% respectively during January-December 2019.
- In the period January-December of 2019, exports from Canada have declined by (-) 8.58%.
- The top ten suppliers of textiles have a collective share of 82.30% in the US textile imports.

## TEXTILE AND CLOTHING IMPORT TRENDS IN EU (28)

Table X: EU (28) Imports of Textile and Clothing					
Details	2017	2018	2019	Jan/May 2019	Jan/May 2020
Textiles (Bn. USD)	33.90	36.08	34.92	14.59	23.37
% Growth	5.34%	6.43%	-3.22%	-2.86%	60.17%
Clothing (Bn. USD)	93.32	99.47	98.42	35.87	28.67
% Growth	3.67%	6.59%	-1.06%	0.61%	-20.07%
T & C (Bn. USD)	127.22	135.55	133.34	50.46	52.04
% Growth	4.11%	6.55%	-1.63%	-0.41%	3.13%
Source: GTA, Eurostat					

## OBSERVATIONS

- EU (28) textile and clothing imports reported a decline of (-) 1.63% in 2019, declining from USD 135.55 billion during January-December 2018 to USD 133.34 billion during January-December 2019 as shown in Table X.
- Textiles reported a decline of (-) 3.22% in 2019, declining from USD 36.08 billion during January-December 2018 to USD 34.92 billion during January-December 2019. Clothing imports have declined by (-) 1.06% during the same period.
- During January-May 2020, imports of Textiles has grown by 60.17% as compared to January-May 2019.
- Overall imports of Textile and Clothing has grown by 3.13% during the period January-May 2020.



### INDIAN DELEGATION @ KARL MAYER FACTORY, GERMANY

Dr. Helmut Pressi, CFO, Karl Mayer (3rd from Right) welcomed Shri Vijoy Kumar Singh, IAS, Additional Secretary & Financial Advisor, Ministry of Textiles, Government of India (Centre). Also seen in the picture, Shri Sibin C, Director, Industry and Commerce, Govt. of Punjab (3rd from Left); and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (2nd from Left).



## MAJOR EXPORTERS OF TEXTILES & CLOTHING TO EU (28)

**TABLE XI : Top 10 Exporters of Textiles and Clothing to EU (28)**

Country	Value in Billion USD					% Growth		% Share	
	2017	2018	2019	Jan/May 2019	Jan/May 2020	Jan/Dec 2019/2018	Jan/May 2020/2019	2018	2019
<b>World</b>	<b>127.22</b>	<b>135.55</b>	<b>133.34</b>	<b>50.46</b>	<b>52.04</b>	<b>-1.63</b>	<b>3.13</b>	<b>100.00</b>	<b>100.00</b>
China	42.44	44.14	42.69	13.73	22.68	-3.27	65.17	32.56	32.02
Bangladesh	17.85	19.82	20.24	7.68	6.31	2.11	-17.93	14.63	15.18
Turkey	16.41	17.29	16.84	6.31	4.92	-2.59	-21.89	12.75	12.63
<b>India</b>	<b>8.84</b>	<b>9.18</b>	<b>8.68</b>	<b>3.33</b>	<b>2.43</b>	<b>-5.45</b>	<b>-26.93</b>	<b>6.77</b>	<b>6.51</b>
Pakistan	5.94	6.22	6.29	2.16	1.91	1.15	-11.79	4.59	4.72
Vietnam	4.00	4.40	4.65	1.53	1.42	5.58	-6.94	3.25	3.49
Cambodia	4.26	4.68	4.54	1.44	1.10	-2.91	-23.57	3.45	3.41
Morocco	3.28	3.52	3.36	1.42	0.82	-4.54	-42.32	2.60	2.52
Myanmar	1.29	2.01	2.72	0.80	0.86	35.57	6.75	1.48	2.04
Tunisia	2.51	2.74	2.57	1.13	0.80	-6.07	-28.53	2.02	1.93

Source: GTA, Eurostat

## OBSERVATIONS

- India ranked 4th after China, Bangladesh and Turkey, in the EU (28) textile and clothing market, exporting goods worth USD 8.68 billion during 2019 declining by (-) 5.45% over the previous year, as shown in Table XI.
- China continued to be the leading supplier of textile & clothing into EU (28) with a share of 32.02 %, followed by Bangladesh with 15.18%, Turkey with 12.63% and India with 6.51% in the year 2019. In the period January-May 2020, China reported the highest growth of 65.17% in its exports to EU (28).
- The top ten exporters of textile and clothing had a collective share of 84.45% in EU (28) imports of textile and clothing valued at USD 112.60 billion in 2019.
- Exports from Pakistan grew by 1.15% followed by Vietnam by 5.58% during January-December 2019.
- During the period January-December 2019, Myanmar reported the highest growth of 35.57%, although over a small base. During first five months of 2020, Myanmar exports grew by 6.75%.
- Countries like Cambodia, Morocco and Tunisia showed a negative growth during January -December 2019.

## MAJOR EXPORTERS OF TEXTILE TO EU (28)

TABLE XII : Top 10 Exporters of Textiles to EU (28)									
Country	Value in Billion USD					% Growth		% Share	
	2017	2018	2019	Jan/May 2019	Jan/May 2020	Jan/Dec 2019/2018	Jan/May 2020/2019	2018	2019
<b>World</b>	<b>33.90</b>	<b>36.08</b>	<b>34.92</b>	<b>14.59</b>	<b>23.37</b>	<b>-3.22</b>	<b>60.17</b>	<b>100.00</b>	<b>100.00</b>
China	11.39	12.51	12.69	4.90	15.06	1.40	207.66	34.68	36.34
Turkey	5.56	5.74	5.45	2.14	1.72	-5.10	-19.48	15.90	15.59
<b>India</b>	<b>3.18</b>	<b>3.37</b>	<b>3.08</b>	<b>1.13</b>	<b>0.86</b>	<b>-8.88</b>	<b>-23.57</b>	<b>9.35</b>	<b>8.81</b>
Pakistan	2.89	2.99	2.91	1.00	0.92	-2.77	-8.29	8.30	8.34
USA	1.30	1.36	1.39	0.51	0.48	2.02	-5.74	3.77	3.97
South Korea	1.24	1.32	1.21	0.50	0.42	-8.56	-15.50	3.66	3.46
Japan	0.77	0.85	0.83	0.33	0.29	-2.03	-11.34	2.34	2.37
Switzerland	0.88	0.91	0.80	0.35	0.29	-12.01	-16.84	2.52	2.29
Vietnam	0.42	0.47	0.55	0.21	0.32	16.36	54.06	1.30	1.56
Egypt	0.49	0.51	0.47	0.20	0.15	-7.79	-26.36	1.41	1.35

Source: GTA, Eurostat

## OBSERVATIONS

- As shown in Table XII, EU (28) imports of textiles reported a decline of (-) 3.22% in 2019, valued at USD 34.92 billion during January-December 2019.
- India, the 3rd largest supplier to the EU (28) had a share of 8.81%, exporting textile goods worth USD 3.08 billion during 2019. India's exports have declined by (-) 8.88% during January -December 2019. During the period January-May 2020, India's exports of textiles has declined by (-) 23.57% over the same period last year.
- Exports from Pakistan, the 4th largest supplier reported a decline of (-) 2.77% during 2019.
- Like USA, China leads the market in EU too, with a share of 36.34% in 2019, with an export level of USD 12.69 billion. China reported positive growth of 1.40% in January-December 2019. In the period January-May 2020, China reported the highest growth of 207.66% in its exports to EU.
- The top ten exporters of textiles had a collective share of 84.08% in EU (28), with textile imports valued at USD 29.36 billion in 2019.
- During the period January-December 2019, Vietnam reported the highest growth of 16.36%. In the period January-May 2020, Vietnam reported the growth of 54.06% in its exports to EU.
- Countries like South Korea, Japan, Switzerland and Egypt showed a negative growth during 2019.

## EXPORT PERFORMANCE IN FISCAL YEAR 2019-20

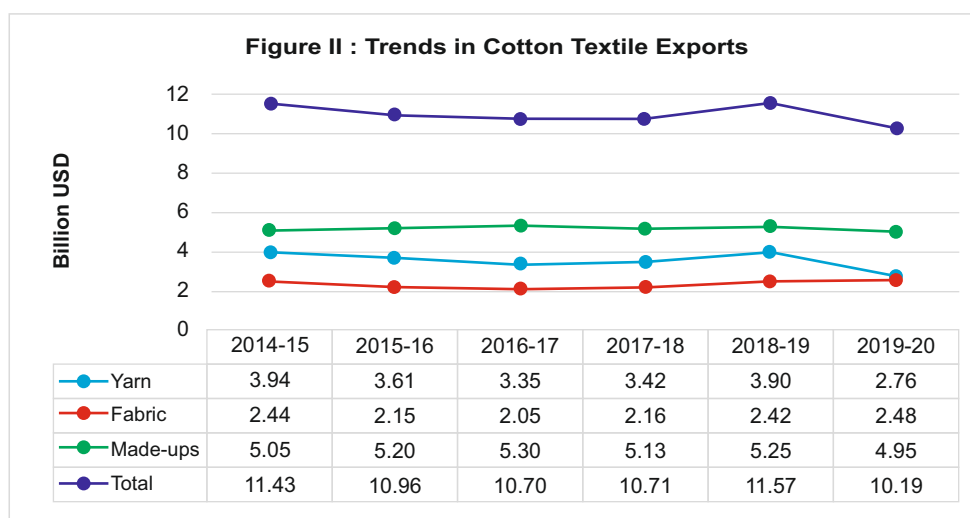
The labour and capital intensive Textile and Clothing (T&C) sector continues to be a vital sector in economies across the world—including the developed countries, as it remains an important source of employment. This is equally true for India, where the T&C sector employs millions of ordinary citizens—including thousands of migrant, skilled and unskilled workers who depend on it for their livelihoods. The industry contributes 2% of India's GDP, 7% of industrial output in value terms and 12% of the country's export earnings. Since early March 2020, India has been no exception to the pandemic shocks that have gripped the world. The efforts to contain the coronavirus, including a complete lockdown and the resultant worker migration has led to an unforeseeable financial and humanitarian crisis severely affecting economic growth in the first half of fiscal 2020-2021.

Taking its toll on the global economy, the COVID-19 pandemic has also triggered an unprecedented crisis in the Indian textiles and apparel industry and raising the urgent need to manage the economic aftermath. The contagion hit the Indian economy at a time when investments were shrinking, growth was seen at its lowest in a decade, and consumption recovery was fast diminishing. At the advent of the crisis, Indian textile and clothing exports reached a level of USD 35.50 billion (Rs. 2.51 lakh crores) in fiscal 2019-20 marking a decline of (-) 8.32% over an achievement of USD 38.72 billion (Rs. 2.70 lakh crores) in total exports during the previous fiscal year 2018-19.

Given the total disruption in workflow and production schedules, the industry is facing its worst-ever crisis and needs to gear itself in the post COVID-19 world. On the export front, low buying in key markets like Europe and the USA have had a severe impact on the suppliers of value added products. Even the fast fashion/mass retail suppliers have had to manage with smaller orders and very tight margins. Coming to domestic suppliers, lowered consumer sentiment has led to fears of low consumption this year.

Despite the gloomy outlook, India has all the capacity and competence to regain share in its core cotton-based, and value addition (embroidery, patterns, weaves, etc.) categories. With the pandemic here to stay, it will be crucial to focus on building efficiencies that will support manufacturing excellence in the country. Further, cost-competitiveness needs to be improved substantially in order to help ward off challenges to businesses from competing countries.

### EXPORTS OF COTTON TEXTILE



In 2019-20, exports of cotton textile from India declined by (-) 11.87% to a level of USD 10.19 billion from USD 11.57 billion in the previous year. Cotton yarns declined by (-) 29.14% in value terms during the period 2019-20, Cotton fabrics showed a growth of 2.33% in value terms while Cotton made-ups declined by about (-) 5.61% during the fiscal year 2019-20 as shown in Figure II.



- In FY 2019-20, share of cotton made-ups was 49%, cotton fabrics was 24% and cotton yarns was 27% in the total exports of cotton textiles from India as shown in Figure III.

**Table XIII: Exports of Cotton Textile**

Year	YARNS			FABRICS			MADEUPS			TOTAL		
	Bn.	% Growth		Bn.	% Growth		Bn.	% Growth		Bn.	% Growth	
	USD	Share		USD	Share		USD	Share		USD	Share	
2019-20	2.76	-29	27	2.48	2	24	4.95	-6	49	10.19	-12	100
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	...	33	2.15	...	20	5.20	...	47	10.96	...	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
2019-20	75.42	1.06	-49.52	722.39	10.19	-11.93	797.81	11.25	-17.70
2018-19	146.27	2.10	11.11	808.40	11.57	8.02	954.67	13.67	8.49
2017-18	121.56	1.89	15.95	690.76	10.71	0.09	812.32	12.60	2.18
2016-17	109.82	1.63	-15.97	717.03	10.70	-2.37	826.85	12.33	-4.41
2015-16	128.21	1.94	...	716.78	10.96	...	844.99	12.90	...

Source: GTIS / MOC

- Export of cotton fibre, from India have declined by (-) 49.52% during the fiscal year 2019-20 in dollar terms. Exports of cotton textile (including Cotton) have declined by (-) 17.70% during the last fiscal year reaching a level of US\$ 11.25 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
		2017-18	2018-19	2019-20	2017-18	2018	2019	
	<b>World</b>	<b>10715.41</b>	<b>11567.60</b>	<b>10194.52</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>- 11.87</b>
1	United States	2593.02	2751.87	2670.39	24.20	23.79	26.19	- 2.96
2	Bangladesh	1134.50	1265.05	1107.99	10.59	10.94	10.87	- 12.42
3	China	906.53	1312.27	622.77	8.46	11.34	6.11	- 52.54
4	Sri Lanka	334.42	357.78	371.54	3.12	3.09	3.64	3.85
5	UAE	370.97	389.66	332.12	3.46	3.37	3.26	- 14.77
6	Germany	353.17	286.39	266.65	3.30	2.48	2.62	- 6.90
7	UK	285.89	283.37	262.90	2.67	2.45	2.58	- 7.23
8	Egypt	209.66	234.82	227.53	1.96	2.03	2.23	- 3.11
9	South Korea	214.25	251.13	202.29	2.00	2.17	1.98	- 19.45
10	Italy	223.44	203.91	168.59	2.09	1.76	1.65	- 17.33
11	Portugal	177.07	151.98	163.67	1.65	1.31	1.61	7.69
12	Vietnam	106.12	168.06	145.61	0.99	1.45	1.43	- 13.36
13	Peru	136.59	134.36	143.74	1.27	1.16	1.41	6.98
14	France	134.83	126.37	128.85	1.26	1.09	1.26	1.96
15	Nigeria	76.32	109.12	127.92	0.71	0.94	1.25	17.23

Source: GTIS / MOC

## OBSERVATIONS

- As can be seen in Table XV, USA continued to be the major export destination in 2019-20 for exports of cotton textiles from India with a share of 26.19% followed by Bangladesh and China with shares of 10.87% and 6.11% respectively.
- 68% of the total cotton textile exports, amounting to USD 6.94 billion was exported to the top 15 listed countries.
- Exports to Sri Lanka, Portugal, Peru, France and Nigeria has increased by 3.85%, 7.69%, 6.98%, 1.96% and 17.23% respectively during this period.
- Exports to USA, Bangladesh, China, UAE, Germany, UK, Egypt, South Korea, Italy, and Vietnam have declined during this period.



## DIRECTION OF TRADE

**Table XVI: Regions Importing Cotton Textile from India**

Region	Billions United States Dollars			% Share			% Growth	% Growth
	2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	2018-19	2019-20
<b>World</b>	<b>10.72</b>	<b>11.57</b>	<b>10.19</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>7.95</b>	<b>-11.87</b>
North America (USA /Canada)	2.71	2.86	2.79	25.32	24.76	27.38	5.58	-2.56
SAARC	1.82	1.95	1.62	17.02	16.85	15.89	6.89	-16.87
EU28	1.80	1.64	1.52	16.76	14.19	14.93	-8.61	-7.25
Zone Africa	1.10	1.25	1.26	10.28	10.80	12.38	13.35	1.06
Hong Kong / China	0.96	1.35	0.65	8.97	11.69	6.35	40.81	-52.13
MIDDLE EAST	0.64	0.64	0.63	5.98	5.57	6.16	0.55	-2.55
ASEAN	0.40	0.55	0.50	3.74	4.75	4.91	37.02	-8.83
South America/ Mexico	0.42	0.44	0.44	3.94	3.82	4.36	4.76	0.54
CIS	0.03	0.03	0.03	0.32	0.28	0.25	-7.05	-19.04
<i>Source: GTA/MOC</i>								

## 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 2.79 billion.
- SAARC ranked second amongst the regions with imports amounting to USD 1.62 billion commanding a share of 15.89%. Imports during the fiscal year 2019-20 have declined by (-) 16.87%.
- EU (28) ranked third amongst the regions with imports amounting to USD 1.52 billion commanding a share of 14.93%. However export to the region fell by (-) 7.25% in the fiscal year 2019-20.
- Hong Kong / China imports declined by (-) 52.13% amounting to USD 0.65 billion marking a share of 6.35% during fiscal 2019-20.
- Imports into the African Zone region are growing in value terms since the last three fiscal years.
- India's exports of cotton textile to ASEAN declined by (-) 8.83% during fiscal year 2019-20 to USD 0.50 billion from USD 0.55 billion during the corresponding period in the previous year.
- South America/Mexico imports from India grew by 0.54% amounting to USD 0.44 billion with a share of 4.36% during fiscal 2019-20.
- 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
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	
	<b>World</b>	<b>3424.61</b>	<b>3895.41</b>	<b>2760.32</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>- 29.14</b>
1	Bangladesh	678.96	738.44	590.46	19.83	18.96	21.39	- 20.04
2	China	858.82	1272.55	586.35	25.08	32.67	21.24	- 53.92
3	Egypt	172.04	181.79	179.78	5.02	4.67	6.51	- 1.11
4	Portugal	156.79	132.38	147.60	4.58	3.40	5.35	11.50
5	Peru	123.81	120.58	128.27	3.62	3.10	4.65	6.38
6	Vietnam	79.79	137.48	118.82	2.33	3.53	4.30	- 13.57
7	South Korea	113.07	136.21	96.94	3.30	3.50	3.51	- 28.83
8	Sri Lanka	73.96	79.79	75.53	2.16	2.05	2.74	- 5.35
9	Turkey	92.06	57.32	59.71	2.69	1.47	2.16	4.17
10	Colombia	61.39	69.36	56.59	1.79	1.78	2.05	- 18.42

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
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	
	<b>World</b>	<b>1097.43</b>	<b>1258.94</b>	<b>957.32</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>- 23.96</b>
1	China	315.37	464.99	241.33	28.74	36.93	25.21	- 48.10
2	Bangladesh	207.51	224.86	194.91	18.91	17.86	20.36	- 13.32
3	Egypt	55.23	57.92	62.45	5.03	4.60	6.52	7.82
4	Portugal	50.22	41.93	50.95	4.58	3.33	5.32	21.52
5	Peru	40.62	40.05	46.93	3.70	3.18	4.90	17.18
6	Vietnam	25.76	43.24	41.57	2.35	3.43	4.34	- 3.85
7	South Korea	34.58	41.38	31.95	3.15	3.29	3.34	- 22.80
8	Colombia	21.33	23.88	21.47	1.94	1.90	2.24	- 10.13
9	Sri Lanka	19.35	20.81	21.46	1.76	1.65	2.24	3.12
10	Turkey	27.59	15.10	18.81	2.51	1.20	1.97	24.58

Source: GTIS / MOC

## OBSERVATIONS

- Export of cotton yarn from India to the world decline by (-) 29.14% in value terms reaching a level of USD 2.76 billion in FY 2019-20. Exports to the top 10 countries amounted to USD 2.04 billion contributing a collective share of 73.90% as shown in Table XVII.
- Bangladesh is the major market for Cotton Yarn from India in 2019-20 with a share of 21.39%. However, exports of cotton yarn to Bangladesh declined by (-) 20.04% in value over 2018-19. Exports of cotton yarn to China have declined by (-) 53.92% in FY 2019-20. Portugal, Peru and Turkey have shown positive growth during the period 2019-20.
- In volume terms, the world imported 957.32 million kilograms of cotton yarn from India during fiscal year 2019-20 as shown in Table XVIII. Exports decreased by (-) 23.96% over the previous fiscal year. Demand from Egypt, Portugal, Peru, Sri Lanka and Turkey grew by 7.82%, 21.52%, 17.18%, 3.12% and 24.58% respectively.
- China continued to be the leading importer of cotton yarns with 241.33 million kilograms. However, exports to China have decreased by (-) 48.10% in volume terms. Exports to countries like Bangladesh, Vietnam, South Korea and Colombia declined in quantity terms by (-) 13.32%, (-) 3.85%, (-) 22.80% and (-) 10.13% respectively. Collectively, the top ten importing countries imported cotton yarns up to a level of 731.82 million kilograms in 2019-20 accounting for 76.44% of India's cotton yarn exports to the world.



### TEXPROCIL @ INDIA TREND FAIR (ITF), JAPAN

H.E. Ambassador of India to Japan, H.E. Mr Sanjay Kumar Verma (4th from left) seen along with Dr Siddhartha Rajagopal, Executive Director of TEXPROCIL (5th from left) and other officials from TEXTILE COMMITTEE, AEPC and EPCH at the TEXPROCIL information booth.

## COTTON FABRICS

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

Rank	Country	Million United States Dollars			% Share			% Change
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	
	<b>World</b>	<b>2162.33</b>	<b>2423.39</b>	<b>2479.94</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>2.33</b>
1	Bangladesh	444.70	503.20	493.85	20.57	20.76	19.91	- 1.86
2	Sri Lanka	236.54	258.97	275.34	10.94	10.69	11.10	6.32
3	United States	153.69	209.78	201.78	7.11	8.66	8.14	- 3.81
4	Senegal	106.71	107.42	118.17	4.93	4.43	4.76	10.00
5	South Korea	87.15	99.68	92.93	4.03	4.11	3.75	- 6.77
6	UAE	89.29	82.07	83.64	4.13	3.39	3.37	1.92
7	Sudan	61.53	47.65	82.05	2.85	1.97	3.31	72.20
8	Gambia	33.48	47.61	65.04	1.55	1.96	2.62	36.61
9	Nepal	40.13	63.70	59.30	1.86	2.63	2.39	- 6.90
10	Thailand	32.86	56.41	58.40	1.52	2.33	2.35	3.52

Source: GTIS / MOC

## OBSERVATIONS

- Bangladesh was the leading market for cotton fabrics during 2019-20 with a share of 19.91%, followed by Sri Lanka and USA with shares of 11.10% and 8.14% respectively. However in the same period the demand for Indian cotton fabrics has increased in Sri Lanka with exports growing by 6.32% followed by Senegal with growth of 10% respectively.
- Countries like UAE, Sudan, Gambia and Thailand showed an increase in exports. These countries grew by 1.92%, 72.20%, 36.61%, and 3.52% respectively.
- Export to the top ten importing countries was USD 1.53 billion in 2019-20 accounting for a collective share of 61.70% 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
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	2019-20
	<b>World</b>	<b>5128.46</b>	<b>5248.81</b>	<b>4954.26</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>- 5.61</b>
1	United States	2423.19	2520.91	2454.11	47.25	48.03	49.54	- 2.65
2	UAE	275.25	305.19	246.02	5.37	5.81	4.97	- 19.39
3	UK	256.48	253.05	237.82	5.00	4.82	4.80	- 6.02
4	Germany	266.33	206.48	194.48	5.19	3.93	3.93	- 5.81
5	Australia	127.07	124.46	119.47	2.48	2.37	2.41	- 4.01
6	France	123.85	116.49	118.86	2.42	2.22	2.40	2.03
7	Canada	112.70	103.69	111.30	2.20	1.98	2.25	7.33
8	Italy	122.32	115.93	99.62	2.39	2.21	2.01	- 14.07
9	Spain	105.29	101.44	96.66	2.05	1.93	1.95	- 4.72
10	Netherlands	74.73	83.21	86.81	1.46	1.59	1.75	4.32

Source: GTIS / MOC

### OBSERVATIONS

- USA continued to be the leading market for Cotton Made-ups in 2019-20 with a share of 49.54%.
- Export of Indian cotton made-ups to UAE has declined by (-) 19.39% from USD 305.19 million in the year 2018-19 to USD 246.02 million in the year 2019-20.
- Exports to France, Canada, and Netherlands grew by 2.03%, 7.33% and 4.32% respectively. However, export to Germany, Australia, Italy and Spain have declined by (-) 5.81%, (-) 4.01%, (-) 14.07% and (-) 4.72% as shown in Table XX.



### TEXPROCIL EXPORT AWARDS 2018-2019

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles and Women & Child Development, presented the TEXPROCIL Awards to the winning exporters at a grand function held in Mumbai on 16 January 2020. Seen in pic. Hon'ble Minister presenting Gold Trophy to Shri K K Lalpuria, ED & CEO, Indo Count Industries Ltd. for Excellence in Madeup Exports.



## Activities Undertaken by the Council for the Year 2019-2020

**The Council participated in the following international trade fairs and exhibitions in the fiscal year 2019-20.**

### TRADE FAIRS / EXHIBITIONS

- BSM at Poland & Portugal (13 – 18 June, 2019)
- Texworld USA co-located with Apparel Sourcing & Home Textile Sourcing Fair, New York, USA (22 - 24 July, 2019)
- India Trend Fair, Tokyo, Japan (24-26 July, 2019)
- Yarn Expo & Intertextile Apparel Fabrics, Shanghai, China (25 - 27 September, 2019)
- 65th Cairo Fashion & Tex Fair, Cairo, Egypt (10-12 October, 2019)
- Intex South Asia 2019 Colombo, Sri Lanka (13–15 November, 2019)
- 19th Vietnam Int'l Textile & Garment Industry (VTG) Exhibition, Ho Chi Minh City, Vietnam (20-23 November, 2019)
- IRANTEX 2019 in Tehran, Iran (9-12 December, 2019)
- Heimtextil 2020 Fair, Frankfurt, Germany (7-10 January, 2020)
- Colombiatex, Medellin City, Colombia (21 - 23 January, 2020)
- Texworld and Apparel Sourcing Show, Paris, France (10-13 February, 2020)
- 17th International Istanbul Yarn Fair in Turkey (27-29 February, 2020)

### TRADE DELEGATIONS / CONFERENCES / MEETINGS / PRESENTATIONS

- Visit of Trade Delegation, Colombo Sri Lanka (13–14 November, 2019)
- Trade Delegation to Peru (24 – 28 January, 2020)
- High Level Ministerial Delegation to Dhaka, Bangladesh (3 – 5 February, 2020)

### VISIT OF OVERSEAS DELEGATION TO INDIA

- Visit of Malaysia Wholesalers Association (22 August, 2019)

### SEMINARS AND WORKSHOPS

- Fashion Forecast Seminar for Japanese Market (3 June, 2019)
- India launch of the Social and Labor Convergence Program (SLCP) (5 June, 2019)
- Interactive Meeting with Exporters in Guntur (14 June, 2019)
- Seminar on “Alternate Funding for exports and Rating Sources” (4 July, 2019)
- Council's Meeting with the Drawback Committee (27 November, 2019)
- TEXPROCIL delegation visit to NITI Aayog (29 January, 2020)

## BSM in Poland & Portugal (13 – 18 June, 2019)

EU as a combined market is the single largest destination for export of textiles from India. With a view to study the changing dynamics in the EU textile manufacturing, consumption, export within the region and to explore possibility of increasing export of textiles from India to Poland & Portugal, the major production centres in EU, the Council organised Buyer Seller Meets at Lodz, Poland and Porto in Portugal from 13th to 18th June 2019.

Participation at this event was supported by the Indian Embassies in Poland & Portugal and Ministry of Commerce, Government of India, under MAI scheme.

**BSM in Poland:** On 12th June 2019, the Indian delegation had an interactive dinner meet with India – Poland Chamber of Commerce and Industry (IPCCI). During the interaction, the President of IPCCI briefed the Indian participants about market potential for various segments of the textile products, present status of manufacturing activities in Poland, need to adopt suitable strategy to increase export to Poland.

On 13th June 2019, The Indian Embassy at Poland organised a business meet at “TZMO Group” at Zelow, Poland, about 3 hours drive from Warsaw. This company has manufacturing plants in 10 countries and are focusing mainly on medical & hygiene textiles and are importing cotton and coarse count cotton yarns from India. During the B2B meeting between the senior executives of the company and the Indian participants, the Polish side has shown keen interest to source more cotton and yarn from India for their manufacturing plant in Poland, Romania and Russia for further conversion and also were looking for increasing their own investment in manufacturing technical textiles in India for the domestic market.



### BUYER SELLER MEET IN POLAND

Dr. K. V. Srinivasan, Chairman, TEXPROCIL (extreme left) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (2nd from left) attending the business meet at “TZMO Group” at Zelow, Poland.

The full day B2B program at Lodz, Poland on 14th June 2019 was attended by 20 large importers in Poland. At the inaugural session, Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL made a presentation on strengths and advantages of textile manufacturing in India.

During the one-to-one business meetings, held between each of the Indian participants and each of the attendees from Poland, there was an intense discussion on quality parameters as required by the importers, prices and delivery schedule. One of the directors of the apparel brand GUCCI also met with the Indian participants and was looking for possible alignment with India manufacturers.

**BSM in Portugal:** Shri Amararam Gujar, First Secretary (HOC & Commercial) briefed the Indian delegation on concentration of textile manufacturing and trading activities in and around Porto city and efforts undertaken by the Embassy and the Association of Textiles in Portugal (ATP) having its head office at Vila Nova de Famalicao, near Porto city in Portugal in organizing the B2B meetings.

On 17th June, B2B meeting was held at the Meeting Hall of CITEVE (Textile Technology centre), Vila Nova de Famalicao. During the inaugural session, Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL made a presentation highlighting strengths of Indian textile sector and advantages of sourcing textiles from India, thereby instilling confidence amongst the importers to source more from India.

During the one-to-one business meetings, held between each of the Indian participants and each of the attendees from Portugal, importers were keen to source more value added textiles from India.



## BUYER SELLER MEET IN PORTUGAL

Dr. K. V. Srinivasan, Chairman, TEXPROCIL addressing the participating companies at the B2B meeting held at the Meeting Hall of CITEVE (Textile Technology centre), Vila Nova de Famalicao, in Portugal.

**Factory visit in Portugal:** The Indian participants visited 'Riopele' a fully integrated large scale textile company in Pousada de Saramagos near Porto. This company is importing yarn from India and is keen to import more quantity for conversion into woven fabrics and garments. Riopele has also set up a liaison office at Jaipur for sourcing hand printed fabrics for further value addition and export to EU markets.

**Networking dinner meet at Porto, Portugal:** At a networking dinner meet organised by the Council along with Embassy of India, Portugal on 17th June, over twenty Portuguese companies attended the event and interacted with the Indian delegation. The meet provided an opportunity for match making between the suppliers and the importers.

As per feedback from the Indian Exhibitors, it is observed that, several knitting & weaving companies (manufacturers) met Indian participants looking for direct imports. Gap between prices offered by the Indian suppliers and the asking price quoted by the Polish & Portuguese importers had narrowed down and clearly indicated willingness to negotiate mutually agreeable price levels for various yarn counts. There was an increasing demand for value added dyed and fancy yarns in Portugal, while there was a good demand for yarn, fabrics and Home Textiles in Poland.

### **Texworld USA co-located with Apparel Sourcing & Home Textile Sourcing Fair, New York, USA (22 - 24 July, 2019)**

The Council organized a group participation of Members at 'TEXWORLD, USA' held at New York City from 22nd to 24th July 2019. Seventeen Members of the Council participated in the combined sections of the Fair, namely, Texworld for Fabrics, Home Textile Sourcing and Apparel Sourcing – all held at the same venue.

Texworld USA is the largest sourcing event in the American continent for apparel fabric buyers, product development specialists, designers, merchandisers and overseas sourcing professionals. This Fair is one of the important events for the American buyers to meet with manufacturers from major supplying countries. 830 exhibitors participated in this three-in one Fair showcasing Fibre to Fashion under one roof. Purpose of co-locating three shows was to create a sourcing destination in New York for the entire textile and clothing value chain. This international business platform offered a wide array of Fabrics, Home Textiles, Accessories, Apparel and Services. It was reported by the organisers that approximately 6,300 trade visitors visited the three shows together over the three days of the Show. Trade Visitors were mainly from East Coast of USA and a few from other countries in the Central American region.

As per feedback from the Indian exhibitors & overseas visitors, it was observed that: Indian exhibitors of suiting, shirting and embroidery fabric were satisfied as many leading direct importers visited the Fair and booked sample orders on the spot. Chinese exporters / exhibitors were of the opinion that additional tariff imposed by US is not affecting fabric business as the importers are nominating Chinese suppliers to supply to other conversion centres, mainly, Bangladesh, Pakistan, Cambodia, Vietnam and Sri Lanka. There is a well-established supply chain arrangement between major importers in USA and Chinese manufacturers / exporters. Hence additional tariff imposed by USA on China and vice versa will lead to increasing level of outward processing by Chinese.

### **India Trend Fair, Tokyo, Japan (24-26 July, 2019)**

The Council participated in the India Trend Fair organised by Japan India Industry Promotion Association (JIIPA) from 24th to 26th July, 2019 with 20 companies. The event was inaugurated by the Ambassador of India to Japan, H.E. Mr Sanjay Kumar Verma along with Dr Siddhartha Rajagopal, Executive Director of TEXPROCIL and other officials from AEPC and EPCH.

The event gave valuable insights into the quality and requirements of Japanese Standards as well as colour and pattern trends especially in the apparel and made-ups segment. For the benefit of the members, the Council also organised a seminar in June 2019 at its head office where Japanese experts gave inputs on being 'exhibition ready' for the Japanese market. The Council received 15 enquiries at its stall during the 3 days of the Show for value added yarns and fabrics beside home textiles. These enquiries were circulated to the trade after the show.



## Yarn Expo & Intertextile Apparel Fabrics, Shanghai, China (25 - 27 September, 2019)

In order to showcase the presence of the Indian suppliers in the Chinese market and to facilitate increasing India's export of cotton Yarn and Fabrics, the Council organized a group participation of Members at "Yarn Expo & Intertextile Shanghai Apparel Fabrics" Fair, held at Shanghai, China from 25 to 27 September, 2019. Total 66 exhibitors participated at India Pavilion through the Council, 4,422 exhibitors from 33 countries participated at InterTextile Apparel Fabric Fair in addition to 480 exhibitors from 12 countries participated at Yarn Expo.

It is reported that approximately 89,662 visitors from 120 countries / regions visited the Fair to meet with their regular suppliers as well as to meet new suppliers of yarn, fibers & fabrics. Manufacturers of knitwear / knitted fabrics, woven fabrics, socks, home textiles and Agents visited the event looking for Yarns to suit various end uses.

The organisers convened a Round Table meeting on the 1st day of the Fair in which representatives from major textile manufacturing and importing countries from Asia, EU and Australia participated and discussed issues concerning the present business module across the globe. Dr. K V Srinivasan, Chairman, TEXPROCIL represented the Council at this meeting and expressed his views on present global trade and opportunities ahead in view of various FTA /RTAs and US-China trade friction.

As per feedback from the Indian Exhibitors and Chinese visitors, it was observed that: Chinese importers were keen to buy Indian yarn in big volumes in the present market conditions provided price levels were slightly lower than supply from Vietnam and Pakistan. Price gap between offer prices from Indian suppliers and asking price by the Chinese importers has narrowed down. Demand for import of Open Ended (OE) yarns, in particular for denim fabric manufacturing is increasing. There is an increasing demand for value added dyed and fancy yarns in China.

Ongoing trade friction between US and China has impacted overall business in China thereby reduction in import of textiles also. There is a shift in the Chinese importing pattern, asking Indian suppliers to send yarn and fabrics to other conversion centres, such as, Vietnam Myanmar, Bangladesh and Central America countries for outward processing by the Chinese companies instead of direct buying of yarn and fabrics to China.



### TEXPROCIL @ YARN EXPO & ITSFA, SHANGHAI, CHINA

Shri Anil Kumar Rai, Hon'ble Consul General of India in China (2nd from right), and Shri Sanjay Sharan, Joint Secretary, Ministry of Textiles (extreme left) along with Dr. K. V. Srinivasan, Chairman, TEXPROCIL (2nd from left) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (3rd from right) interacting with Indian exhibitors.

## 65th Cairo Fashion & Tex Fair, Cairo, Egypt (10-12 October, 2019)

Egypt is an important and significant market for Indian export of cotton yarn. A delegation from the Cotton Textiles Export Promotion Council of India (TEXPROCIL) comprising 10 Indian cotton textile companies participated in the India pavilion at the 65th edition of the International Fashion & Textile Exhibition “Cairo Fashion & Tex” held at Egypt International Exhibition Centre (EIEC) from 10th to 12th October, 2019.

The Council participated in this exhibition under the MAI Scheme and the three-day event provided a platform for the Indian businessmen, particularly cotton yarn and denim companies to interact with Egyptian visitors. The TEXPROCIL stall received enquiries for all types of yarns and fabrics which were duly disseminated to the members of the Council after the Show. The India pavilion was inaugurated by the Ambassador of India to Egypt, H.E. Mr. Rahul Kulshreshth and the event generated good leads for the exhibitors.

## Intex South Asia 2019 Colombo, Sri Lanka (13–15 November 2019)

Since its launch in 2015, Intex South Asia fair provides a robust platform for untapped South Asian intra-regional trade with other global suppliers from across South Asia and the world to help expand industry and business, in one location, under one roof. Considering this fact, TEXPROCIL had organized an India Pavilion in the fifth edition of Intex South Asia 2019 held from 13th–15th November 2019 at Bandaranaike Memorial International Conference Hall (BMICH), Colombo, Sri Lanka.

H.E. Shri Vinod K Jacob, Deputy High Commissioner, High Commission of India, Colombo with Special Guests Mrs. Indira Malwatte, Chairperson & CEO, Sri Lanka Export Development Board (EDB) and Mr. Saifuddin Jafferjee, Deputy Chairman, Joint Apparel Association Forum (JAAF) jointly inaugurated INTEX South Asia on 13th November 2019. Dr. K V Srinivasan, Chairman, TEXPROCIL and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL were the Guest of Honour at the inaugural ceremony.



### TEXPROCIL @ INTEX SOUTH ASIA, COLOMBO, SRI LANKA

H.E. Shri Vinod K Jacob, Deputy High Commissioner, High Commission of India, Colombo (Centre), Mrs. Indira Malwatte (9th from right) and Members of Joint Apparel Association Forum (JAAF), along with Dr. K V Srinivasan, Chairman, TEXPROCIL (left) and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (6th from right) at the Inaugural ceremony of INTEX South Asia.



The Council organised group participation of 30 Indian companies in this exhibition under MAI Scheme of the Ministry of Commerce which provided a platform for the Indian businessmen to interact with Sri Lankan and foreign visitors, showcase their products and explore business opportunities. The three-day fair connected over 3,900 international buyers from 20 countries and regions to network with 220+ quality suppliers from over 13 countries. There were Country Pavilions from India with 80+ companies, China with 60+ companies, Indonesia Textile Pavilion with 5 companies, Korea Textiles Showcase Pavilion with 28 companies and Taiwan Textiles Showcase Pavilion with 8 companies.

The Council was invited to the networking initiatives undertaken at the fair. Dr. K V Srinivasan, Chairman, TEXPROCIL represented India in the panel discussion on sustainability, titled as - "Materials, Sustainability & Circularity" held at Intex South Asia's Networking Reception on 13 November, 2019. Dr. K V Srinivasan, Chairman, TEXPROCIL shared his views on the availability of Organic & Recycled Cotton highlighting Organic Cotton, Blended Cotton fabrics and their recycle usages. The discussions were received well by all those present.

### **19th Vietnam Int'l Textile & Garment Industry (VTG) Exhibition, Ho Chi Minh City, Vietnam (20-23 November, 2019)**

The Council participated in the Vietnam International Textiles & Garment (VTG) Industry exhibition held in Ho Chi Minh City, Vietnam from 20th to 23rd November, 2019 with 10 companies. With many bilateral and regional FTAs, Vietnam has established itself as one of the significant garment making nations in the world. The Council was participating in this fair for the sixth consecutive year and the India Pavilion 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 Rex on the second day of the exhibition where local buyers and leading textile associations were invited and they interacted with the Indian companies. Information on the Indian textile industry and India Vietnam co-operation was also highlighted through a presentation made by the Executive Director, Dr Siddhartha Rajagopal during the session. The Council received over 50 enquiries at its stall for cotton yarn and cotton & blended fabrics and these were distributed to trade.



### **TEXPROCIL @ VIETNAM TEXTILE & GARMENT (VTG) INDUSTRY EXHIBITION**

The Consul General at Ho Chi Minh City, Dr. K. Srikar Reddy (8th from left) along with Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (4th from left) present amidst the other dignitaries from the Vietnamese textile industry at the grand inaugural event.

## IRANTEX 2019 in Tehran, Iran (9-12 December, 2019)

The Council participated in IRANTEX 2019, held in Tehran, Iran from December 9-12, 2019. IRANTEX is an exhibition for textiles products held every year since 1989. 29 Companies participated in the exhibition through the Council. Further, the Council had a booth which served as an information centre. The Council's booth was visited by a large number of buyers who were interested in sourcing textiles products. All the enquiries received at the Council's booth were disseminated to its members.

**Inauguration of India Pavilion** - On December 9, 2019 – the first day of the exhibition - Shri Vinay Kumar, Consul (Commercial) from the Indian Embassy in Tehran inaugurated the Indian Pavilion at the fair in the presence of the exhibiting companies. Thereafter, he visited the booths of all the Indian exhibitors and interacted with them.

**B2B Meetings** - On the side lines of the exhibition, the Indian Embassy in association with Iran Chamber of Commerce organized B2B meetings for the Indian exhibitors in the office of the Chamber on 11.12.2019. Officials from the Indian Embassy, UCO Bank and the President of the Iran Chamber of Commerce, Mr. Zarabieh, President were present in the B2B meetings.

**Feedbacks from the participating Companies** - Buyers from Iran and other Countries had visited the fair. All the participants had expressed their satisfaction with the fair and the B2B Meetings. Many companies reportedly got on the spot orders in addition to enquiries from a large number of buyers. Many of the participants confirmed that they will participate in the next edition of IRANTEX in 2020.

**Good demand for Textiles products from India** - Based on feedbacks received from the participating Companies, there is good demand in Iran for Cotton yarn – Grey – 30/1 combed for knitting for socks, under garments etc., Cotton Lycra yarns – 24/1 and 40/1 for woven fabrics, Polyester Viscose Yarns and Viscose Yarns.

Overall, participating in IRANTEX has shown that Iran is a very good market for textiles from India. The Country can also be an important market for those exporters who are looking at diversification into new markets.



### TEXPROCIL @ IRANTEX, TEHRAN, IRAN

Shri Vinay Kumar, Consul (Commercial) from the Indian Embassy in Tehran (Centre) inaugurated the Indian Pavilion at the fair in the presence of the exhibiting companies. Also seen in the picture, Shri A. Ravi Kumar, Joint Director, TEXPROCIL (3rd from right) representing the Council at the inaugural event.

## Heimtextil 2020 Fair, Frankfurt, Germany (7-10 January, 2020)

In order to continue exploring the tremendous potential in Textiles and Clothing trade offered by Germany and the European Union (Eu) at large for Home Textile products the Council had organized the 'Brand India' Pavilion at the Heimtextil Fair 2020 held in Frankfurt, Germany from January 7 - 10, 2020 in Hall no. 10.2, Booth no. B05 of the Messe Frankfurt Exhibition Grounds.

Heimtextil – the world's leading trade fair for Home Textiles brings together the international home textiles industry at one place viz. Frankfurt, Germany. The present edition was the 50th and Messe Frankfurt, the organiser of the event celebrated it in a befitting manner with a major focus on sustainability. During this edition, 2952 companies from 65 countries presented their innovations to around 63,000 visitors from 156 countries across the globe. India with 404 exhibitors was the second largest group after China with 561 exhibitors participating at the fair.

Shri Moloy Chandan Chakraborty, Textile Commissioner, Govt. of India along with Ms. Ruby Jaspreet, Consul Commercial at the Consulate General of India in Frankfurt, Germany inaugurated the TEXPROCIL information booth which showcased the entire value chain of yarns, fabrics and home textiles. The story highlighted 150 years centenary celebration of 'Mahatma Gandhi' along with promotion of 'Incredible Textiles of India' range of products. TEXPROCIL brochures and pamphlets along with special promotional bags were distributed freely through the stall which saw a steady stream of visitors.

A high level delegation under the leadership of Shri Vijoy Kumar Singh, Additional Secretary & Financial Advisor to Ministry of Textiles, Govt. of India visited the fair for two days to have a first-hand account of the prevailing home textiles market situation across the world. The delegation comprised Shri Sibin C, Director, Industry and Commerce, Govt. of Punjab; Dr. K V Srinivasan, Chairman, TEXPROCIL and Dr. KN Prabhu, Chairman, HEPC.



## TEXPROCIL @ HEIMTEXTIL 2020, FRANKFURT, GERMANY

Shri Moloy Chandan Chakraborty, Textile Commissioner, Govt. of India (6th from left) and Ms. Ruby Jaspreet, Consul Commercial at the Consulate General of India (5th from left) inaugurated the TEXPROCIL information booth in Frankfurt, Germany. Also seen in the picture, Dr. K. V. Srinivasan, Chairman, TEXPROCIL (4th from left) and Dr. Siddhartha Rajagopal, Executive Director (5th from right) along with the Council's Past Chairmen, COA Members and representatives of CGI Frankfurt, HEPC, EPCH and Messe Frankfurt.



On the first day, the delegation visited the German Textile Machinery manufacturer 'Karl Mayer' and held meeting with Dr. Helmut Pressi, CFO of the company. During the course of the day the delegation held meetings with Heads of the Indian Councils participating at the show and visited the stalls of Indian participants. On the Day 2, the delegation visited the "Trend Forum" and International pavilions along with visiting the Exhibitors of 'Incredible Textiles of India' pavilion in the fair.

The office of the Consulate General of India in Frankfurt, Germany actively supported the participating Indian companies at the fair. Ms. Ruby Jaspreet, Consul (Commercial) accompanied the Textile Commissioner and interacted with the Indian participants. Smt Pratibha Parker, Hon'ble Consul General of India at CGI, Frankfurt visited the fair on the second day and accompanied the Indian Trade delegation during their visit to the fairground.

TEXPROCIL organized group participation by 20 Indian companies under the MAI Scheme of Government of India. Specially designed fascia distinguished the Council's participants from the general participants.

### **Colombiatex, Medellin City, Colombia (21 - 23 January, 2020)**

Colombiatex 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 visits this Fair to source their requirement. 27 Indian companies participated through TEXPROCIL showcasing cotton and synthetic yarns, shirting fabrics, suiting, denim fabrics, embroidered fabrics, grey fabrics, knits, prints etc.

H.E. Shri. Sanjiv Ranjan, Ambassador of India to Colombia & Ecuador visited the Fair and interacted with each of the Indian exhibitors. He also discussed concerted strategy to be adopted by the Indian exhibitors in increasing their export to LAC region and in particular to Colombia with Dr. K. V. Srinivasan, Chairman, TEXPROCIL and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL who were also present at the Fair. As per feedback from the India exhibitors, there is an increasing demand for cotton yarns, synthetic yarns, shirting fabrics and denims in Colombia and other Latin American Countries.



### **TEXPROCIL @ COLOMBIATEX, MEDELLIN CITY, COLOMBIA**

H.E. Shri. Sanjiv Ranjan, Ambassador of India to Colombia & Ecuador (extreme left) in a discussion with Dr. K. V. Srinivasan, Chairman, TEXPROCIL (2nd from left), Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (2nd from right) and Chairman, SRTEPC (3rd from left) .

## Texworld and Apparel Sourcing Show, Paris, France (10-13 February, 2020)

The Council organized a group participation of Indian exporters of Fabrics and Accessories at Texworld and Apparel Sourcing Show, held at Paris from 10-13 February, 2020. There were 92 exhibitors from India, of which 19 participated through the Council. Due to the scare of the Corona virus pandemic there was an overall reduction in the Chinese participation as well as in the number of buyers visiting the Show.

Mr. Premanand Jothy, First Secretary (ITOU/E&C) & Head of Economic and Commercial Wing, Embassy of India in Paris inaugurated the India Pavilion. Later, an “Interactive Meeting on Incredible Textiles of India” was organized by TEXPROCIL in the Seminar Hall at the venue itself where Indian exhibitors interacted with the officials from Embassy of India on various issues that hampered exports.

The response of buyers at the Show was encouraging although not at the level of previous Texworld editions. The visitor numbers were down by almost 40% in this edition of the Show due to the Corona virus situation.

## 17th International Istanbul Yarn Fair in Turkey (27-29 February, 2020)

The Council participated in the 17th International Istanbul Yarn Fair which was held at the Tüyap Fair Convention & Congress Center Istanbul, Turkey from February 27-29, 2020. 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 70 countries.

20 Indian companies participated in the fair through the Council. Further, the Council had a booth for itself which served as an information centre.

**No Exhibitors from China** - The fair normally attracts a large number of exhibitors from China. However, this year due to the outbreak of Corona virus in China, Chinese exhibitors and visitors were not allowed to participate in the fair.

**Inauguration of Indian Pavilion by the Consul General of India** - Mr. Purnojyoti Mukherjee, Acting Consul General of India, inaugurated the Indian Pavilion at the fair on 27.2.2020. Thereafter, he visited all the booths of the Indian exhibitors and interacted with them. During the interactions, the Companies had discussed with him issues such as the prevailing Anti-dumping duties on Manmade filament / spun yarn, duty of 8% imposed by Turkey on Cotton yarns and the additional duty of 20% imposed on fabrics from India.

**Buyers at 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.

**Feedbacks** - All the Indian companies reportedly benefited by participating in the fair with many of them having established good contact with the international buyers. All the participants had confirmed that they will participate in the next edition of the fair through the Council.

**Key Observations** - Turkey as a key Market for Textiles from India - Turkey continues to be a lucrative market for Indian Cotton textiles products. Exports to this Country can be increased if the products are of high quality and priced competitively. Cotton yarn requirements are largely being imported into Turkey. Cotton Yarns of all counts especially 20s for socks, 30s and 40s for knitted fabrics, woven fabrics and terry towels are being imported. In addition, there is good scope to increase exports of all types of synthetic yarns such as Polyester, Viscose and blended especially dyed yarns. Cotton fabrics are also being imported for use in Garments and Home textiles in Turkey.



## TRADE DELEGATIONS/CONFERENCES/MEETINGS/ PRESENTATION-OVERSEAS

### Visit of Trade Delegation, Colombo Sri Lanka (13–14 November, 2019)

TEXPROCIL organised a 2-day visit of a delegation of Indian cotton textile exporters on 13th & 14th November 2019 in Colombo, Sri Lanka on the side lines of the “Intex South Asia 2019” exhibition. The idea was to have focused discussions with Sri Lankan importers of textile products. The delegation was led by Dr. K V Srinivasan, Chairman, TEXPROCIL and comprised 10 leading exporters of fabrics and yarn from India.

The delegates held meetings on 13th November 2019 with Heads of Joint Apparel Association Forum (JAAF) – the principal textile organisation in Sri Lanka and associated trade bodies like Sri Lanka Apparel Exporters Association (SLAEA), Sri Lanka Apparel Sourcing Association (SLASA), Sri Lanka Apparel Brands Association (SLABA), Fabric & Apparel Accessory Manufacturers’ Association (FAAMA), and Free Trade Zone Manufacturers’ Association (FTZMA). Dr. Sushil Kumar, First Secretary (Economic & Commerce) at the High Commission of India in Sri Lanka was also present at the meeting to facilitate dialogue between two sides. Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL made a presentation on ‘India-Sri Lanka bilateral trade development prospects’ which was well received by all present.

The Council also organised B2B interactions for the Indian delegation with Sri Lankan companies during the visit. Around 30 Sri Lankan companies attended the event and had one-to-one meetings with Indian delegates.

On the following day 14th November, 2019, the delegation took the opportunity to visit the office of leading Sri Lankan apparel producer ‘Hirdaramani Group’ and held meetings with their Directors to discuss prospects for increasing sourcing from India.

That apart the delegates met the Investment Development Board (IDB) in Sri Lanka to develop an understanding of avenues available for enhancing bilateral trade. The group also visited the Biyagama Export Processing Zone and had a first-hand experience of hi-tech manufacturing practices at MAS Holdings and Brandix partnered factories, viz. Ocean Lanka and Nyon Lanka.

Overall, the effort helped to develop a better understanding of Sri Lankan trade policies, emerging trade issues, social and environmental compliances, quality management and sustainable business practices.

### Trade Delegation to Peru, (24 – 28 January, 2020)

To coincide the Council's participation at ColombiaTex, 21-23 January 2020, the Council has organized a visit of trade delegation to Lima, Peru from 24th to 28th January 2020, under the leadership of Dr. K. V. Srinivasan, Chairman, TEXPROCIL. Nine Indian companies participated in the program.

Indian Embassy in Lima, Peru and Lima Chamber of Commerce (LCC) helped the Council in organizing B2B meetings and factory visits.

During the inaugural session on 27th January 2020, H. E. Mr. Mandarapu Subbarayudu, Ambassador of India to Peru, while delivering the welcome address, explained the business prospect between the two countries. Dr. K. V Srinivasan, Chairman, explained the opportunities and mutual benefits in cotton and yarn business between India and Peru.

Dr. Siddhartha Rajagopal, Executive Director made a presentation at the inaugural session highlighting bilateral trade in textile business, advantages of sourcing Indian textiles and prospect for increasing trade levels for the benefit of textile companies in both the countries.

Over 50 Peruvian companies attended the B2B program and interacted with each of the Indian participants exploring possibilities of doing business in products of their interest. Some of the leading Peruvian textile companies such as Corporacion Jeruth, Topi Top, Textile del Valle etc. attended the event looking for high quality yarns and sustainable products, including recycled yarns and fabrics for further value addition in Peru.

It was observed that: Spinning capacity in Peru is gradually shrinking over the years and at the same time knitting and garmenting capacity is increasing in the past few years there by giving rise to growing demand for imported yarn. It is reported that price difference between imported yarn (landed and duty paid) & domestically manufactured yarn was approx. US 1 per kg thereby making imports of yarn highly attractive. Imported yarn is mainly used for domestic consumption & manufacturing garments for export to EU, whereas, yarn supplied by local spinners is consumed for value addition and export of finished garments to USA to meet with the “yarn forward rule” and become thereby eligible for duty free access to USA.

The Indian delegation also visited some of the importers located at the famous textile market “Gamara” to understand the products in demand in the Peruvian market.

It was observed that domestic consumers of imported yarn were looking for longer credit facilities which is being provided by some of the textile agents cum financiers and in turn putting pressure on yarn suppliers for competitive prices. Considering increasing investments in knitting and garmenting sector in Peru, demand for imported yarn and fabrics will continue to grow in the coming years.

### High level Delegation to Dhaka, Bangladesh, (3 – 5 February, 2020)

A High level Delegation under the leadership of Secretary (Textiles) visited Dhaka, Bangladesh during 3-5 February 2020 to attend the 1st Meeting of the India Bangladesh Textile Industry Forum (IBTIF). The IBTIF had been institutionalised to work out annual sourcing plans under the “Fabric Forward Policy” initiatives of the Ministry of Textiles, Govt. of India. Other than the Government Officers, the Indian delegation consisted of industry representatives from HEPC, JPDEPC, PDEXCIL, National Jute Board, TEA, and TEXPROCIL. The delegation discussed issues regarding tariff, sourcing of fabrics from India and promotion of collaboration.

Indian delegation requested the Bangladesh delegation to clarify as to reason for restrictions on import of commodities from different ports and land routes. It was suggested that a freight corridor either by road or by linking with the Port for seam less movement of cargo especially for all textiles products like yarns/ fabrics and raw materials with adequate warehousing facilities should be created preferably near garment manufacturing hubs.

- Rail transportation is important to bring down the cost and time as containers can be carried to the factories directly.
- Recycled polyester / organic cotton and cotton fabrics and yarns can be supplied by India in substantial quantities with proper certifications.
- India has a large capacity in spinning for spun yarns and also for fabrics both woven and knits and can supply dyed / printed and blends including flax and cotton and 100 pct. cotton which are already being supplied to all leading brands in the world.
- All types of fibres are available in India like Raw cotton, polyester, viscose, modal, linen, flax, silk, recycled polyester and recycled cotton in ample quantity and further policy measures have been initiated to boost manmade fibres production in India and make it available to the world at competitive prices.
- A Textile fair is being organized by TEXPROCIL from March 17-19th in Coimbatore followed by a mega textile Fair showcasing the entire range of textiles & garments under one roof by the ministry of Textiles & leading Textile/ Garment Associations in July 2020 in New Delhi.
- It was also pointed out that the Bangladesh garment manufacturers benefit under cumulative rules of origin when they use Indian fabrics and yarns while exporting to EU duty free.

## VISIT OF OVERSEAS DELEGATION TO INDIA

### Visit of Malaysia Wholesalers Association

The Council welcomed an 18 member delegation from the Malaysia Wholesalers Association (Persatuan Pemborong Malaysia, PPM) led by their President, Mr D'ato Lim. A 15 member exporter team from the Indian side led by Mr Manoj Kumar Patodia, Vice Chairman of TEXPROCIL met the Malaysian delegates at the Council's HO on 22nd August 2019.

Mr D'ato Lim introduced the delegation and gave a brief about the Association which was founded in 2012 as a non-profit business association with over 300 members from various regional wholesale and wholesale-related industries.

A presentation on the Indian textile industry was made by Dr Siddhartha Rajagopal, Executive Director TEXPROCIL followed by a promotional video film inviting the Malaysian delegation to visit the Council's RBSM 'Ind-Texpo' scheduled from 17-19 March 2020.

Later, the Indian companies attended the one-on-one B2B interaction with the textile wholesalers from the Malaysian delegation. Fruitful meetings were held and relevant contacts were established, which are being followed up for business development.



### TEXPROCIL WELCOMES MALAYSIA WHOLESALERS ASSOCIATION IN MUMBAI

Mr D'ato Lim, President, Malaysia Wholesalers Association (9th from left) & delegates being welcomed by Shri Manoj Kumar Patodia, Vice Chairman, TEXPROCIL (8th from right) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (7th from right).

## CONFERENCE/SEMINARS AND WORKSHOPS IN INDIA

### Fashion Forecast Seminar for Japanese Market

TEXPROCIL in association with Japan India Industry Promotion Association (JIIPA) organized a Seminar by Japanese designers and consultants on 3rd June, 2019 at the Council's Head Office in Mumbai. The Seminar was organised with a view of providing aspiring local exporters to Japan with detailed information on demand and fashion trends in Japanese market and business practices. Colour and fabric forecasts were also discussed to help Indian exporters understand Japan's changing styles, demand and fashion trends and also advise them on market entry strategies.

Basic methods of display in exhibitions, particularly in Japan, were also discussed especially in the light of participation at the India Trend Fair in Tokyo Japan from 24-26 July 2019. Speakers at the Seminar included Ms Mayumi Amumura, a fashion designer and interior design consultant and Mr Baba Munetoshi, a Brand Consultant.

### India launch of the Social and Labor Convergence Program (SLCP)

The Council facilitated organising the launch event of the Social and Labor Convergence Program (SLCP), on June 5, 2019 in Mumbai by hosting it at the Four Seasons Hotel.

The SLCP is an initiative led by the world's leading manufacturers, brands, retailers, industry groups, (inter) governmental organizations, service providers and civil society organizations. It has developed a Convergence Assessment Framework (CAF), aiming to improve working conditions in global supply chains by eliminating the need for multiple social compliance audits.



### TEXPROCIL @ SOCIAL AND LABOR CONVERGENCE PROGRAM (SLCP) LAUNCH

Shri Manoj Kumar Patodia, Vice, Chairman, TEXPROCIL, lighting the lamp during SLCP launch event in Mumbai facilitated by TEXPROCIL. Also seen in the picture (Left to Right), Shri R. K. Dalmia, Past Chairman, TEXPROCIL, Dr. Christian Schindler, Director General, International Textile Manufacturers Federation (ITMF), Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL, Shri Amit Ruparelia, Past Chairman, TEXPROCIL, Mr. Madison Wilcox from ITC, Geneva and Ms. Sharon Hesp, from SLCP – Netherlands.



Dr. Christian Schindler, Director General, International Textile Manufacturers Federation (ITMF) provided valuable insights to the audience regarding the benefits that SLCP would bring to their companies. Other international speakers included Ms. Sharon Hesp, from SLCP - Netherlands and Mr. Madison Wilcox from ITC, Geneva. Mr. Manoj Kumar Patodia, Vice Chairman, Texprocil presided over the function.

The India operations were launched in Bangalore, Tirupur and Delhi with the Mumbai launch being hosted by TEXPROCIL.

### **Interactive Meeting with Exporters in Guntur**

The Council in association with APSMA (Andhra Pradesh Spinning Mills Association) organized an Interactive meeting with the exporters in on June 14, 2019. The meeting was attended by about 80 to 100 exporters from Guntur region and nearby areas. Shri A. Ravi Kumar, Joint Director, TEXPROCIL made a presentation on “Opportunities to export Cotton textiles”.

The presentation covered the export trends of cotton textiles, leading export markets, the challenges faced by the exporters in the export markets, the growing opportunities to export due to the US – China trade war etc. The presentation also included policy issues such as export promotion schemes such as EPCG and Advance Authorization schemes, MEIS, Duty Drawback, RoSCTL, TUFs and GST related matters. During the interaction, the participants sought clarifications on various policy based matters such as the Foreign Trade Policy, TUF scheme, Duty Drawback, GST Refunds etc. All the queries were suitably addressed.

### **Seminar on “Alternate Funding for exports and Rating Sources”**

The Council conducted a Seminar on “Alternate Funding for exports and Rating Sources” at its office in Mumbai on 4.7.2019. Shri Pankaj Gupta and Ms. Rajashree Deshpande both Senior Vice Presidents in SBI Global Factors Ltd. made a presentation of Factoring. Shri Atul Joshi, Founder & CEO of Oyster Capital Management & Advisory LLP made a presentation on Credit Rating. The Seminar was well attended by the members of the Council.

### **TEXPROCIL’s Meeting with the Drawback Committee**

The Council had a meeting with the members of the Drawback Committee Shri Y.G. Parande (former member –CBIC), Shri Gautam Ray (former Chief Commissioner of Customs & Central Excise) and Shri Shakti Singh, OSD (Drawback) in Coimbatore on 27.11.2019.

The Council made a presentation on the Drawback Proposals for Cotton textiles products before the Committee. In its presentation, adequate justification with facts and figures were given to the members for an increase in the All Industry Rates of Duty Drawback for Cotton textiles products. Representatives from leading textiles exporting Companies were present in the meeting. After the meeting, the Council arranged for factory visits for the Committee members.

### **TEXPROCIL delegation’s visit to NITI Aayog**

The Government had withdrawn the benefit of 4% MEIS (Merchandise Exports from India Scheme) on exports of Made ups with retrospective effect from March 7, 2019. This decision had caused serious problems for the exporters of Made ups. A delegation from the Council led by Shri Manoj Kumar Patodia, Vice Chairman of the Council visited New Delhi on 29.1.2020. The delegation had meetings with Ms. Aditi Das Raut, Trade Advisor, Ministry of Textiles and Shri Amitabh Kant, CEO, NITI Aayog.

The problems faced by the exporters of Made ups due to the abrupt withdrawal of 4% MEIS with retrospective effect from 7.3.2019 were discussed in these meetings. An appeal was made to restore the benefit of 4% MEIS on Made ups at least till December 31, 2019 as the exporters had factored in the availability of 4% MEIS in addition to the benefits under the RoSCTL scheme in the export price which they had quoted to the overseas buyers.

Shri R.K. Dalmia, Past Chairman, Shri K.K. Lalpuria, Member, Committee of Administration, Shri A.Ravi Kumar, Joint Director, TEXPROCIL and representatives from Welspun Global Ltd, Trident Ltd and Panipat Exporters Association were also part of the delegation.



## EXPORT SERVICE ACTIVITIES

### Global Economic situation and its impact on exporters of Cotton textiles

The year 2019, was marked by risks and uncertainties. A global economic slowdown, uncertainty about the future of the European Union following Brexit, trade tensions between China and the United States, as well as a return to protectionist policies in some parts of the world were all questions that remained unanswered.

Export markets, as a result, had become more competitive and complex for the exporters of Cotton textiles.

### Importance of Government Policy, Rules & Regulations

Competition in export markets is growing day by day for the exporters. Exporters have to deal with high import duties in major markets as compared to zero or lower duties on similar products from competing nations. Another major challenge faced by the exporters are the Non-Tariff Barriers (NTBs) imposed by many countries.

In such a scenario, competitiveness is the key for the exporters to sustain and survive in export business. 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 the competitiveness, pricing and exports of Cotton textiles.

### Enabling environment and ecosystem for accelerated growth of exports of cotton textiles

It is in this context that the Council had taken all possible steps and had provided the Government the necessary inputs/suggestions for the formulation and implementation of appropriate trade and commercial policies for the creation of an enabling environment and ecosystem for accelerated growth of exports of cotton textiles.

### Interaction with various Ministries

The Council interacted extensively with the Ministry of Textiles, Ministry of Finance (GST Policy Wing, Department of Revenue), Ministry of Commerce & Industry and other Government bodies like the office of the DGFT, RBI and the Textile Commissioner.

### Foreign Trade Policy

The Foreign Trade Policy consists of export benefits and other provisions that can play a significant role in enhancing the competitiveness of export products.

During the year, the Council had sent several suggestions on the FTP to the Ministry of Commerce & Industry. The Council had proposed to continue with the Merchandise Exports from India Scheme (MEIS) till the end of the current Foreign Trade policy 2015-20 i.e. till March 31, 2020 along with the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) for Made ups. An exhaustive note on the issues related to the EPCG scheme was sent to the Ministry of Textiles. The Council also highlighted to the Government from time to time, the need to put in place an alternative scheme, if the MEIS is discontinued. In addition, the Council had emphasized on the need to maintain the stability of the policy without removing abruptly any export benefits having financial implications for the exporters.

### Union Budget for 2020

The Council had sent detailed proposals for the Union Budget for 2020 based on suggestions received from the members.

### Duty Drawback Scheme

The Council made a presentation on the Drawback Proposals for Cotton textiles products before the members of the Drawback Committee Shri Y.G. Parande (former member –CBIC), Shri Gautam Ray (former Chief Commissioner of Customs

& Central Excise) and Shri Shakti Singh, OSD (Drawback) at Coimbatore on 27.11.2019. The Council had several meetings in New Delhi with officials from the Drawback department to explain the proposals. Active support of leading exporters were taken by the Council to explain the technical aspects of the export products and the duty incidence on the raw materials / inputs used in the export products to the Drawback Department.

The Council's proposals were accepted and the Drawback rates for all the major Cotton textiles export products were increased vide Notification No. 07/2020-Customs (NT) dated January 28, 2020. However, certain anomalies were observed in the Drawback rates. The Council had sent a representation to the Drawback Department to increase the Drawback rate for Cotton Made ups covered under Drawback Tariff No. 6304 from 2.6% to 2.8% at par with the Drawback rate for products under Drawback Tariff No. 6302 since the products covered under both these Tariffs are similar in nature with the same duty incidence.

The Council also requested the Department of Revenue to issue a clarification on whether an exporter who has claimed Cenvat credit on capital goods export under Central Excise Rebate claims can also be eligible for higher rate of Duty Drawback (composite rates).

The Council had also proposed to the Government to enlarge the scope of the Duty Drawback Scheme by including the incidence of GST on the inputs used in the export products in the All Industry Rates of Duty Drawback.

With regard to the Drawback scheme, the Council had proposed that interest should be paid to the exporters, in case of delay in the release of Drawback amounts in terms of Section 75A of Custom's Act 1962 and such interest should be automatically credited to the exporter's bank account.

#### **Rebate of State and Central Taxes and Levies (RoSCTL) scheme**

The RoSCTL scheme was introduced for Made ups and Garments w.e.f. March 7, 2019. Since it was a new scheme exporters had initially faced some problems in complying with the requirements and in filing applications online for duty credit scrips under the scheme. The Council did the necessary hand holding and provided all kind of assistance to the exporters. The Council intervened in resolving a large number of cases where the EDI shipping bills did not appear on the DGFT website as a result of which exporters were unable to apply online for the duty credit scrips under the scheme.

With regard to the scheme, the Council had proposed to the Government to credit the RoSCTL amount directly to the exporter's bank account instead of the scrip route as in the case of the erstwhile ROSL scheme.

#### **Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme**

The Government has given its approval for introducing the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP). "Those taxes/duties/levies that are not covered under GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc. would be covered for reimbursement under the Scheme".

The Council has proposed to the Government to include Cotton Yarn, Fabrics and Made ups under the RoDTEP scheme.

#### **Goods & Services Tax (GST)**

The Council continued in its efforts to provide guidance to the exporters on various GST matters. The Council had played a proactive role in helping the exporters in getting refunds of GST on exports by taking up specific cases with the concerned GST Commissionerates and the Customs department. The Council had sent representation to the Commissioner of State Tax, Maharashtra State to advise the GST Commissionerates to restrict their queries to the particular refund claim which is under process in the case of applications for refund of un-utilized Input Tax Credit on exports under LUT.

The Council had from time to time taken up issues related to the GST with the Government based on representations received from the members. The Council had interacted extensively with the GST Policy Wing under the Ministry of Finance in addition to the Ministry of Textiles and Department of Commerce and provided all the inputs required by the concerned departments.

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

- To exempt domestic procurements to 100% EOUs from the payment of GST.
- To allow refund of IGST on the export of products that have been procured by the merchant exporters at concessional rate of GST of 0.05%/0.10%.
- To include input services as part of Net ITC for the purpose of computation of refund on account of Inverted Duty Structure.
- To allow refund of ITC on capital goods on exports under LUT on par with exports under refund of IGST.
- To allow refund of unutilized Input Tax Credit (Transitional Credits) when goods are exported under LUT with retrospective effect from July 1, 2017.
- To put in place a system to rectify errors made by the exporters on the Shipping bills so that the refunds are not held up.
- To dispense with the requirement of mentioning the shipping bill nos in the monthly returns files by the suppliers of export goods to the merchant exporters.
- To extend concessional rate of GST on Manpower Supply Services and Capital Goods procured by the Textile Industry in order to lower the burden of credit accumulation on account of Inverted Duty Structure.
- To put in place a suitable mechanism to refund IGST on such exports on which the exporters have surrendered the differential drawback amounts and have effectively claimed only the lower drawback rates.
- To extend the due date for filing GSTR-3B for the month of February 2020 to 30.4.2020.

### **Handling Grievances of the exporters / Trade Facilitation Services**

The Council played an important role in taking up the problems faced by exporters in their day to day interactions with the 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 member 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.

#### **(i) Exporters categorized in "Risky Category"**

During the year many of the exporters had been classified in the "Risky Category". For such exporters, all containers were examined 100% and IGST refunds and Drawback were withheld till the Customs got clearance from the GST department with regard to the correctness of the ITCs claimed and the payment of the IGST. The Council provided the necessary assistance and guidance to its members in getting themselves out of the "Risky Category". The Council had also represented to CBIC to issue necessary instructions to the field formations of Customs & GST to implement the Department's guidelines in the matter in a time bound manner so that genuine exporters do not face any difficulty in getting themselves out of the "Risky Category" due to delay at the departmental level in completing the prescribed procedure.

#### **(ii) Exporters in the "Alert List"**

During the year, many exporters were put in the "Alert List" by the Customs as their banks failed to update the EDI Shipping Bills on the IT based system called Export Data Processing and Monitoring System (EDPMS) of RBI after realization of export proceeds. The Council took up many such cases with RBI and the Customs and helped the exporters to get themselves out of the "Alert List".

## 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 among 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.

## Visit of a delegation from the Council to NITI Aayog and Ministry of Textiles

The Government had withdrawn the benefit of 4% MEIS on the exports of Made ups and Garments with retrospective effect from March 7, 2019 since these products were covered under the RoSCTL scheme. A delegation from the Council met Shri Amitabh Kant, CEO, NITI Aayog and the Ministry of Textiles on 29.01.2020 with a request to continue with 4% MEIS along with RoSCTL scheme on exports of Made ups and Garments till 31.12.2019.

## Torrential rain & flood in Maharashtra

The Council sent representations to the Hon'ble Chief Minister of Maharashtra, Hon'ble Minister of Industries and Hon'ble Minister of Energy for financial help to the textile industries located in Kolhapur district for their survival after being badly affected by torrential rain & flood.

## Representations to the Government

The Council made several representations to the Government at various levels on issues related to exports of cotton textiles based on inputs/suggestions/feedbacks received from the members. Some of the issues on which the Council had represented are as follows :-

- To treat "Quilts" falling under Chapter 94 as Madeups and include them under the RoSCTL scheme.
- To treat "Cotton Shopping Bags" falling under Chapter 42 as Madeups and include them under RoSCTL.
- To include Cotton yarn (falling under HS Codes 5205, 5206 and 5207) under 3% Interest Equalization Scheme to boost exports.
- To include "Cotton Yarn" and "Cotton fabrics" under the RoSCTL scheme.
- To implement the RoSCTL scheme for Made ups along with MEIS @ 4% on exports till 31.12.2019.
- To include HS Code Nos. 63049289, 63049249, 63049299, 63049999 and 63025190 on the DGFT website and also allow filing of applications online on DGFT website in terms of DGFT Public Notice No.61/2015-2020 dated 07.03.2017.
- To release pending claims under the erstwhile ROSL scheme for Made ups & Garments.
- To release all the pending claims under the erstwhile ROSL scheme to the exporters of Made ups.

## Tariff / Non-Tariff Issues

- (i) Turkey had imposed additional duty of 20% on the import of fabrics from India. This duty is not in line with WTO Regulations. The Council had represented that the Government to strongly take up this matter with the Turkish Government & call for immediate consultation so that the additional duty is abolished.
- (ii) The Council sent a representation to the Government to recommend to the Ministry of External Affairs to take up with the US to exempt textile exports from India to Iran from the sanctions.
- (iii) The Council had sent a representation to the Government to engage in dialogue with the Chinese Government so that import duty on import of cotton textiles products such as Yarn and fabrics into China from India can be brought on par with competitors.

## Coronavirus pandemic and its immense economic fallout

By the time the year ended, Covid-19 had spread to almost the entire world. Even in India, the outbreak of Covid-19 began in March 2020. The pandemic started adversely affecting the exporters of Cotton textiles due to the disruption in the supply chains worldwide. To combat the economic impact of the Covid-19 on the exporters, the Council had appealed to the Government to announce some financial package urgently. To help the exporters to run their production facilities, the Council had proposed to the Government to allow export of non-woven textile raw material that are not used for masks and coveralls (for protection from COVID-19).

Some of the recommendations made by the Council to the Government to provide relief to the exporters are as follows:

- Allow cancellation of forward contracts without levying any cancellation charges
- Provide assistance to the exporters facing problems due to cancellation of Export orders by the overseas buyers
- Release all pending claims under the TUF scheme
- Advice Banks to accept & send scanned copies of shipping documents to the buyer's banks
- Exempt Courier companies from the lockdown
- Provide additional working capital to the exporters
- Defer payment of statutory contributions
- Grant one year moratorium till March 31, 2021 for repayment of principal on term loan and interest on working capital
- Relax NPA Norms
- Extend payment period against Import L/Cs
- ECGC Ltd should renew Single Buyer Policies to the exporters without insisting upon the condition of "No Overdue Payments".

## 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 31st March 2019	As on 31st March 2020
Members	176	170
Registered Textile Exporters (RTEs)	2358	2116
<b>TOTAL</b>	<b>2534</b>	<b>2286</b>



## COMPOSITION OF THE COMMITTEE OF ADMINISTRATION

The newly constituted Committee of Administration held its first meeting on 21st September 2019 at 11.30 a.m. at “Gallery South”, Hotel Four Seasons, Worli, Mumbai. Dr. K. V. Srinivasan chaired the meeting as he was elected Chairman for a period of 2 years (2018-2020). Shri Manoj Kumar Patodia continued to be the Vice Chairman for the period 2019-20 as he 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 2019-20	
	TOTAL
<b>Office Bearers</b>	
Dr. K. V. Srinivasan, Chairman	4
Shri Manoj Kumar Patodia, Vice Chairman	4
<b>Other Members</b>	
(Late) Shri D. L. Sharma (Deceased on 10.09.2020)	3
Shri Tushar Ruparelia	3
Shri Umesh R. Lahoti	3
Shri Ketan Manek	2
Shri Sanjay K. Rath	2
Shri Payonidh Parekh (Member since 21.09.2019)	2
Shri Parag H. Udani	2
Shri Maninarayan Velayutham	2
Shri V. Sudhakar Chowdhary (Member since 21.12.2019)	2
Shri T. Rajkumar (Member since 21.12.2019)	2
Shri Umang Patodia	1
Shri K. Hari Thiagarajan	1
Shri Suresh K. Khandelia	1
Ms. Mridula Ramesh	1
Shri Sharad Kumar Saraf	1
Shri Vijaykumar Agarwal	1
Shri Prakash M. Shah (Member till 21.09.2019)	1
Shri K. K. Lalpuria (Member since 21.09.2019)	1
Shri Sanjay K. Jain (Member till 21.09.2019)	1
Shri P. Nataraj (Member till 21.09.2019)	1
Shri Ashwin Chandran	1
Shri Aditya Krishna Pathy	0
Shri Ashish Mehrishi	0
Shri Viren Todi (Member since 21.09.2019)	0
Shri M. Sivakannan (Member till 21.09.2019)	0
Shri Vishnukumar Jalan	0
Ms. Aditi Das Rout, Trade Advisor, Ministry of Textiles	0
Shri Moley Chandan Chakraborty Textile Commissioner	0

During fiscal year 2019-20, the Committee met 4 times i.e. two (2) times prior to the AGM and two (2) times post AGM.

## 65th ANNUAL GENERAL MEETING

The 65th Annual General Meeting was held on Saturday, the 21st September, 2019 at 11.30 a.m. at Gallery South, Hotel Four Seasons, Worli, Mumbai. Sixteen (16) Member Exporters and One (1) RTEs attended the meeting.

Dr. K. V. Srinivasan, Chairman, took the chair and called the meeting to order after ascertaining that requisite quorum was present.

Greeting the members at the AGM, Chairman, Dr. Srinivasan stated that the World Trade in 2019 was facing strong headwinds mainly on account of the sluggish global demand exacerbated by rising uncertainties due to growing trade tensions. The future, he said depends, on how the trade tensions will be addressed in the coming months especially in the areas relating to tariff escalation, retaliatory tariffs and also ensuring that WTO commitments are upheld.

With regard to India, Dr. K. V. Srinivasan stated that India has a moderate growth story and was expected to grow around 6.2% in FY 2019-20.

Dr. Srinivasan further stated that 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 which clothing accounted for 56% and textile for a 44% share of the world trade. India ranked fifth as an exporter of textile and clothing during 2018 with a share of 4.63%. Export from India, he stated, had declined marginally by (-) 0.77% during the year 2018 from USD 37.44 bn in 2017 to USD 37.15 bn in 2018.

Pointing to the various challenges confronting the textile export sector, Chairman stated that there was a need to discover new paradigms of growth and strategize a way to remain competitive as some of the issues like preferential tariffs, non-tariff barriers, and unpredictable regulatory arrangements were to stay as part of the overall policy architecture.

Dr. K. V. Srinivasan, Chairman appreciated the Government's support to the textile export sector and stated that most of the recommendations made by the Council were accepted and implemented by the Government. On behalf of the Council, Chairman, Dr. K. V. Srinivasan commended the Government's efforts to resolve the issue of pending claims/refunds under the TUFs and hoped the issues related to disbursement of committed liabilities will be sorted out in the near future.

With regard to the unresolved Agenda, he hoped that the Government would further analyse the hardships faced by the exporters in adapting to the GST regime and take remedial steps to address the issues. He also emphasized the importance of FTA's with potential countries like EU, Australia, Canada etc., which needed to be concluded on priority.

Chairman informed the members that the Indian export promotion schemes were being challenged by the USA in the WTO on the grounds that they were not in compliance with the global trade norms and that the Council has submitted a detailed study report to the Government on alternate schemes and hoped that the suggestions should be examined and alternate schemes would be put in place so that all round improvements can be made in the export of various products in the textile basket.

Chairman also informed the members that the Council has successfully renewed its prevailing Quality Management System (QMS) certification of the standard – ISO 9001:2015.

The General Body approved and adopted the Committee's Report, Annual Audited Accounts, Auditor's Report & Appointment of Auditors for the year 2019-20 including fixing of their remuneration.

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

#### Category of Export Performance between Rs.5 Cr and Rs.15 Cr

- Shri Viren Todi, Incotex Impex Pvt. Ltd.

#### Category of Export Performance above Rs.15 Cr to Rs.50 Cr

- Shri Hari K Thiagarajan, VTM Ltd.
- Shri Payonidh Parekh, S & S Exports

#### Category of Export Performance above Rs.50 Cr

- Shri Umang Patodia, Patspin India Ltd.
- (Late) Shri D. L. Sharma, Vardhman Textiles Ltd. (Deceased on 10.09.2020)
- Shri Kailash Lalpuria, Indo Count Industries Ltd.

**Date : 21st September 2019**

**Place : Mumbai**



#### 65th ANNUAL GENERAL MEETING OF TEXPROCIL

Dr. K. V. Srinivasan, Chairman, TEXPROCIL (2nd from Left) addressing the audience at the 65th AGM of TEXPROCIL. Also seen in picture, Dr. Siddhartha Rajagopal, Executive Director (extreme left), Shri Manoj Kumar Patodia, Vice Chairman (2nd from right) and Ms. Megha Nayak, Auditor (extreme right).

## THE SIXTY-SIXTH ANNUAL REPORT

**THE SIXTY-SIXTH ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION ON THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020 TO THE MEMBERS OF THE COUNCIL AS REQUIRED UNDER ARTICLE 71 OF THE ARTICLES OF ASSOCIATION OF THE COUNCIL**

### KEY FINANCIAL HIGHLIGHTS

The Council's financial performance, for the year ended 31st March, 2020 is summarized below:

Particulars	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Total Revenue from operations	1,47,26,729	1,59,99,994
Government Grants	3,30,58,972	2,35,89,454
Other Income	4,93,56,297	4,55,81,916
<b>TOTAL REVENUE</b>	<b>9,71,41,998</b>	<b>8,51,71,364</b>
Profit / Loss before Depreciation	62,77,173	19,69,779
Less: Depreciation	12,49,369	10,26,403
Profit / Loss after Depreciation before Tax	50,27,804	9,43,376
Less: Taxes	-	-
<b>Profit / Loss after Tax</b>	<b>50,27,804</b>	<b>9,43,376</b>

### TRANSFER TO RESERVES:

The Board of the Council has transferred Rs. 50,27,804/- to its reserves & surplus.

### 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. The further detail with regard to payment of remuneration to Director is provided in Form No. MGT 9- extract of annual return attached with this report.

### 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:

- in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 Council at the end of the financial year ended 31st March, 2020 and of the Income and Expenditure of the Council 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 Council 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 Sharad Kumar Saraf
- ii. Shri Vijay Kumar Agarwal
- iii. Shri S K Khandelia
- iv. Shri Manoj Kumar Patodia
- v. Smt. Mridula Ramesh
- vi. Shri Ketan Manek \*

\* Shri Ketan Manek is retiring by rotation. However, he is not eligible for re-appointment as he has completed three terms as a member of the Committee of Administration of the Council.

Shri Darshan Lal Sharma ceased to be the Director/ Member of Committee of Administration of the Council due sad demise on 10th September 2020. The Committee of Administration of the Council places on record the valuable contributions made by Shri Darshan Lal Sharma during his tenure of membership.

Following members were co-opted at the Annual General Meeting held in 2019:

- 1. Joint Secretary, Ministry of Textiles
- 2. Textile Commissioner (Ex- Officio)
- 3. Shri Parag H Udani, Nominee of All India Exporters' Chamber
- 4. Shri T Rajkumar, Sri Mahasakthi Mills Ltd.
- 5. Shri V Sudhakar Chowdhary, Mohan Spintex India Ltd.
- 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 2019-20, the Council held 04 Board / Committee meetings of the members as per Section 173 of Companies Act, 2013 which is summarized below.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	10.06.2019	26	13
2	03.08.2019	26	07
3	21.09.2019	20	11
4	21.12.2019	27	15



## **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. (Annexure 1)

## **AUDITORS AND AUDITORS REPORT:**

There are no qualifications or adverse remarks in the Auditors' Report for the financial year ended 31st March, 2020 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, 2020 is annexed herewith for your kind perusal and information.

As per the policy of the management of the Council, the term of three years of appointment of M/s. Nipun Sudhir & Associates, Chartered Accountants, (Firm Registration Number 126168W) is expiring at the conclusion of the forthcoming Annual General Meeting. It was required to appoint the statutory auditor in place of the retiring auditor and it was proposed to appoint M/s. SLM & CO., LLP, Chartered Accountants, (Firm Registration Number 100030W) as the Statutory Auditor of the Council for three consecutive Financial Years starting from the year 2020-21 in place of M/s. Nipun Sudhir & Associates, Chartered Accountants.

M/s. SLM & CO., LLP, Chartered Accountants, (Firm Registration Number 100030W) have consented to act as the Auditors of the Council for the Financial Year 2021-21 and they have given eligibility certificate accordingly.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

### **(A) Conservation of energy and Technology absorption**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished as they are not applicable.

### **(B) Foreign exchange earnings and outgo**

There were no foreign exchange earnings during the year under review. Expenditure in foreign currency on account of Statistical Data, Delegation and Exhibition Expenses is Rs.82,298,498/-

## **LOANS, GUARANTEES AND INVESTMENTS**

There were no loans, guarantees or investments made by the Council 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 Council 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.

## **AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Council.

## **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 Council'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 Council.

## **FOR AND ON BEHALF OF THE COMMITTEE**

**Dr. K V Srinivasan**

CHAIRMAN

DIN: 00004103

Date : 19th October 2020

Place : Mumbai

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

As on financial year ended on 31.03.2020

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	5TH 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)- NOT APPLICABLE

Change in Promoters' Shareholding (please specify, if there is no change) –  
NOT APPLICABLE

Shareholding Pattern of top ten Shareholders:  
NOT APPLICABLE

Shareholding of Directors and Key Managerial Personnel:  
NOT APPLICABLE

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

## 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/WTD/ 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	63,85,096	-	-	-
	(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	5,21,833			
	Perquisite in Cash or in kind	3,68,160			
	Reimbursement of expenses	41,041			
	<b>Total</b>	<b>73,16,130</b>	<b>-</b>	<b>-</b>	<b>-</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL DURING THE YEAR

**For & on behalf of the Board of Directors**

Dr. Siddhartha Rajagopal  
Executive Director  
(DIN 06720149)

Date : 19th October 2020  
Place : Mumbai



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

### **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, 2020, 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 2020 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2016-17 and 2017-18 had raised demand of Rs. 9,09,34,855/-. 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 set aside by the court. The department has filed Special Leave Petition in Supreme Court against the order of Mumbai High Court. However, the special leave petition was withdrawn by the Income-tax department in terms of the Circular No. 17/2019 dated 08 August 2019 due to low tax effect (i.e. the tax effect in the matter being less than 2 crores) and consequently an Order dated 14 January 2020 was passed by the Hon'ble Supreme Court dismissing the special leave petition as withdrawn.. 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 2020 taken on record by the Committee of Administration, none of the Members of the Committee of Administration is disqualified as on 31 March 2020 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.9.09 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

**Gaurav Keniya**

Partner  
Membership Number 162583  
Udin : 20162583AAAACY2520

Mumbai  
Date: 19th October 2020

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## Balance Sheet as at 31st March, 2020

	Note	As at 31st March 2020 In Rs.	As at 1st March 2019 In Rs.
<b>I. CORPUS AND LIABILITIES</b>			
<b>1 Corpus Funds</b>			
(a) Corpus	2	5,53,43,010	5,47,91,510
(b) Reserves and Surplus	3	45,85,38,325	45,35,10,521
		<b>51,38,81,335</b>	<b>50,83,02,031</b>
<b>2 Non Current Liabilities</b>			
(a) Other Non Current Liabilities	4	49,54,165	51,06,900
(b) Long Term Provisions	5	83,78,374	64,16,086
		<b>1,33,32,539</b>	<b>1,15,22,986</b>
<b>3 Current Liabilities</b>			
(a) Other Current Liabilities	4	5,18,21,259	3,73,34,571
(b) Short-Term Provisions	5	90,12,083	74,39,936
		<b>6,08,33,342</b>	<b>4,47,74,507</b>
<b>TOTAL</b>		<b>58,80,47,215</b>	<b>56,45,99,523</b>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Property, Plant and Equipments	6a	43,32,606	57,04,988
Intangible Assets	6b	90,688	2,91,330
(b) Non-Current Investments	7	36,03,34,595	36,14,38,070
(c) Long- Term Loans and Advances	8	9,14,83,555	8,56,04,830
(d) Other Non-Current Assets	9	-	-
		<b>45,62,41,444</b>	<b>45,30,39,218</b>
<b>2 Current Assets</b>			
(a) Current Investments	7	4,98,80,104	7,71,52,104
(b) Trade Receivables	10	7,13,250	1,150
(c) Cash and Bank Balances	11	5,77,89,973	1,85,39,313
(d) Short-Term Loans and Advances	8	28,91,059	13,13,730
(e) Other Current Assets	9	2,05,31,386	1,45,54,008
		<b>13,18,05,771</b>	<b>11,15,60,305</b>
<b>TOTAL</b>		<b>58,80,47,215</b>	<b>56,45,99,523</b>

### Significant Accounting Policies Notes to Accounts

1  
2- 32

As per our report of even date attached

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

Gaurav Keniya  
Partner  
Membership No: 162583  
Udin : 20162583AAAACY2520  
Date: 19th October 2020  
Place: Mumbai

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

Dr. Siddhartha Rajagopal  
Executive Director

Dr. K V Srinivasan  
Chairman

Manoj Patodia  
Vice Chairman

N. Ravindranathan  
Director

Tushar Ruparelia  
Umesh Lahoti

} Committee  
Members



## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### Statement of Income and Expenditure for the year 31st March, 2020

	Note	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Income</b>			
Revenue from Operations	12	1,47,26,729	1,59,99,994
Government Grants	13	3,30,58,972	2,35,89,454
Other Income	14	4,93,56,297	4,55,81,916
<b>Total Revenue</b>		<b>9,71,41,998</b>	<b>8,51,71,364</b>
<b>Expenditure</b>			
Exhibition & Buyer Seller Meet Expenses	15	3,30,23,961	2,85,57,280
Printing ,Publicity and Awards Expenses	16	5,00,308	18,77,150
Delegation, Seminar and Market Survey Expenses	17	42,85,584	59,89,542
Employee Benefit Expenses	18	3,20,17,820	2,65,26,615
Other Expenses (Administrative Expenses)	19	2,10,37,153	2,02,50,998
Depreciation and Amortisation	6	12,49,369	10,26,403
<b>Total expenditure</b>		<b>9,21,14,194</b>	<b>8,42,27,988</b>
<b>Surplus for the year before tax</b>		<b>50,27,804</b>	<b>9,43,376</b>
<b>Provision for Tax ( Refer Note 25)</b>			
<b>Surplus After Tax</b>		<b>50,27,804</b>	<b>9,43,376</b>
Prior period adjustments (Net)	20		
<b>Surplus for the year</b>		<b>50,27,804</b>	<b>9,43,376</b>

#### Significant Accounting Policies Notes to Accounts

1  
2- 32

As per our report of even date attached

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

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

Gaurav Keniya  
Partner  
Membership No: 162583  
Udin : 20162583AAAACY2520

Dr. Siddhartha Rajagopal  
Executive Director

Dr. K V Srinivasan  
Chairman

Manoj Patodia  
Vice Chairman

Date: 19th October 2020  
Place: Mumbai

N. Ravindranathan  
Director

Tushar Ruparelia  
Umesh Lahoti

} Committee  
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

<b>Note : 2 Corpus</b>		
	<b>31st March 2020</b>	<b>31st March 2019</b>
	<b>In Rs.</b>	<b>In Rs.</b>
Entrance Fees		
As per the last balance sheet	5,47,91,510	5,39,17,760
Addition during the year	5,51,500	8,73,750
<b>Total</b>	<b>5,53,43,010</b>	<b>5,47,91,510</b>

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/-.

<b>Note : 3 Reserves and Surplus</b>		
	<b>31st March 2020</b>	<b>31st March 2019</b>
	<b>In Rs.</b>	<b>In Rs.</b>
<b>Surplus in Statement of Income and Expenditure</b>		
Opening balance	45,35,10,521	45,25,67,145
Add: Surplus for the year	50,27,804	9,43,376
<b>Total</b>	<b>45,85,38,325</b>	<b>45,35,10,521</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>Note 4 - Other Liabilities</b>				
	<b>Non Current Portion</b>		<b>Current Portion</b>	
	<b>31st March 2020</b>	<b>31st March 2019</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
	<b>In Rs.</b>	<b>In Rs.</b>	<b>In Rs.</b>	<b>In Rs.</b>
Earnest Money Deposit / Forfeiture Amount	-	-	2,53,52,385	2,53,52,385
Statutory Dues	-	-	13,71,138	3,32,780
Advance from members	-	-	8,17,688	8,17,076
Income received in advance	-	-	61,36,478	16,18,890
Deposit for premises given on rent	49,54,165	51,06,900	-	-
Liability for Expenses	-	-	52,41,945	39,45,007
Other Liabilities	-	-	1,29,01,626	52,68,434
<b>Total</b>	<b>49,54,165</b>	<b>51,06,900</b>	<b>5,18,21,259</b>	<b>3,73,34,571</b>

<b>Note 5 - Provisions</b>				
	<b>Non Current Portion</b>		<b>Current Portion</b>	
	<b>31st March 2020</b>	<b>31st March 2019</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
	<b>In Rs.</b>	<b>In Rs.</b>	<b>In Rs.</b>	<b>In Rs.</b>
Compensated Absence (Refer Note no.20 C)	83,78,374	64,16,086	75,81,462	66,29,882
Gratuity (Refer Note no.20 B)	-	-	14,30,621	8,10,054
<b>Total</b>	<b>83,78,374</b>	<b>64,16,086</b>	<b>90,12,083</b>	<b>74,39,936</b>



## THE COTTON TEXTILES

### NOTES FORMING

#### Note 6

		Gross Block		
Particulars	Balance as at 1st April 2019	Additions	On Disposals	Balance as at 31st March 2020
<b>A Property, Plant and Equipments</b>				
1 Building *	86,38,058	-	32,10,010	54,28,048
2 Furniture & Fixtures	68,24,864	3,86,408	-	72,11,272
3 Office Equipments	35,19,275	29,539	-	35,48,814
4 Motor Cars	20,39,585	-	-	20,39,585
5 Computers	26,76,209	62,799	-	27,39,008
<b>Total (A)</b>	<b>2,36,97,991</b>	<b>4,78,746</b>	<b>32,10,010</b>	<b>2,09,66,727</b>
<b>B Intangible assets</b>				
1 Computer Software	10,96,290	-	-	10,96,290
<b>Total (B)</b>	<b>10,96,290</b>	<b>-</b>	<b>-</b>	<b>10,96,290</b>
<b>Total (A + B)</b>	<b>2,47,94,281</b>	<b>4,78,746</b>	<b>32,10,010</b>	<b>2,20,63,017</b>

#### Previous Year F. Y. 2018-19

		Gross Block		
Particulars	Balance as at 1st April 2018	Additions	On Disposals	Balance as at 31 March 2019
<b>A Property, Plant and Equipments</b>				
1 Building	86,38,058	-	-	86,38,058
2 Furniture & Fixtures	70,64,780	9,39,089	11,79,005	68,24,864
3 Office Equipments	26,25,534	8,93,741	-	35,19,275
4 Motor Cars	20,39,585	-	-	20,39,585
5 Computers	25,06,266	1,69,943	-	26,76,209
<b>Total (A)</b>	<b>2,28,74,223</b>	<b>20,02,773</b>	<b>11,79,005</b>	<b>2,36,97,991</b>
<b>B Intangible assets</b>				
1 Computer Software	8,12,540	2,83,750	-	10,96,290
<b>Total (B)</b>	<b>8,12,540</b>	<b>2,83,750</b>	<b>-</b>	<b>10,96,290</b>
<b>Total (A + B)</b>	<b>2,36,86,763</b>	<b>22,86,523</b>	<b>11,79,005</b>	<b>2,47,94,281</b>

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.

\* Refer Note 28 on capital receipt and its appropriation to the carrying value of the asset.

## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

Balance as at 1st April 2019	Accumulated Depreciation/Amortisation		Balance as at 31st March 2020	Net Block	
	Depreciation charge for the year	On Disposals		Balance as at 31st March 2020	Balance as at 31st March 2019
54,68,772	1,15,949	24,07,612	31,77,109	22,50,939	31,69,286
56,58,926	3,22,208	-	59,81,134	12,30,137	11,65,938
26,79,808	3,91,926	-	30,71,734	4,77,080	8,39,467
17,30,022	1,11,442	-	18,41,464	1,98,121	3,09,563
24,55,477	1,07,201	-	25,62,679	1,76,329	2,20,732
<b>1,79,93,006</b>	<b>10,48,726</b>	<b>24,07,612</b>	<b>1,66,34,121</b>	<b>43,32,606</b>	<b>57,04,985</b>

8,04,960	2,00,642	-	10,05,602	90,688	2,91,330
<b>8,04,960</b>	<b>2,00,642</b>	<b>-</b>	<b>10,05,602</b>	<b>90,688</b>	<b>2,91,330</b>
<b>1,87,97,966</b>	<b>12,49,369</b>	<b>24,07,612</b>	<b>1,76,39,723</b>	<b>44,23,294</b>	<b>59,96,315</b>

Balance as at 1st April 2018	Accumulated Depreciation/Amortisation		Balance as at 31st March 2019	Net Block	
	Depreciation charge for the year	On Disposals		Balance as at 31st March 2019	Balance as at 31st March 2018
53,05,507	1,63,265	-	54,68,772	31,69,286	33,32,551
66,17,061	1,66,170	11,24,305	56,58,926	11,65,938	4,47,719
24,49,128	2,30,680	-	26,79,808	8,39,467	1,76,406
15,55,893	1,74,129	-	17,30,022	3,09,563	4,83,692
22,86,450	1,69,027	-	24,55,477	2,20,732	2,19,816
<b>1,82,14,039</b>	<b>9,03,270</b>	<b>11,24,305</b>	<b>1,79,93,006</b>	<b>57,04,985</b>	<b>46,60,184</b>

6,81,828	1,23,132	-	8,04,960	2,91,330	1,30,712
<b>6,81,828</b>	<b>1,23,132</b>	<b>-</b>	<b>8,04,960</b>	<b>2,91,330</b>	<b>1,30,712</b>
<b>1,88,95,867</b>	<b>10,26,402</b>	<b>11,24,305</b>	<b>1,87,97,966</b>	<b>59,96,315</b>	<b>47,90,896</b>

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 7 -Investments

	Non Current Portion		Current Portion	
	31st March	31st March	31st March	31st March
	2020 In Rs.	2019 In Rs.	2020 In Rs.	2019 In Rs.
<b>Non Traded and Unquoted</b>				
8% Government of India Taxable Bonds (Maturity Date -28-July-2022)	4,00,00,000	4,00,00,000	-	-
8% Government of India Taxable Bonds (Maturity Date -26-May-2023)	2,00,00,000	2,00,00,000	-	-
8.14% Housing & Urban Development Corp.Ltd. Tax Free Bonds (Maturity Date -25-October-2023)	1,00,00,000	1,00,00,000	-	-
8.23% Indian Railway Finance Corp. Ltd Tax Free Bonds (Maturity Date -18-February-2024)	1,00,00,000	1,00,00,000	-	-
REC (Rural Electrification Corporation Ltd) Tax Free Bonds (Maturity Date - 5-November-2025)	45,80,000	45,80,000	-	-
REC (Rural Electrification Corporation Ltd) Tax Free Bonds (Maturity Date - 23-July-2025)	1,07,28,337	-	-	-
NHAI (National Highway Authority of India) Tax Free Bonds (Maturity Date - 9-March-2026)	15,42,000	15,42,000	-	-
8.5% Bank of Baroda Perpetual Bonds (Maturity Date -30-November-2022)	1,01,65,268	1,02,27,371	-	-
8.5% Bank of Baroda Perpetual Bonds (Maturity Date -3-February-2025)	1,02,76,042	-	-	-
HDFC Mutual Fund Fixed Maturity Plan 3360D (Maturity Date -06-June-2023, Units: 10,00,000 (PY 10,00,000) Market Value Rs- 155,57,600 (P Y Rs-140,95,800))	1,27,23,300	1,27,23,300	-	-
8.39% State Bank of India Perpetual Bonds (Maturity Date -04-January-2023)	1,50,74,666	1,51,01,750	-	-
REC Taxable Bonds (Maturity Date -9th March 2020)*	-	40,63,649	-	-
Andhra Bank Perpetual Bond (Maturity Date -3rd February 2023)	1,02,72,982	-	-	-
*prematured by issuer				
<b>SUB Total</b>	<b>15,53,62,595</b>	<b>12,82,38,070</b>	<b>-</b>	<b>-</b>
<b>Fixed Deposits</b>				
Tamilnadu Power Finance & Infrastructure Development Corporation Ltd.	4,50,00,000	4,00,00,000	-	50,00,000
HDFC Ltd.	11,08,00,000	8,99,00,000	-	2,09,00,000
ICICI Bank Ltd.	-	-	80,104	80,104
LIC Housing Finance Ltd.	2,91,72,000	2,35,00,000	-	2,96,72,000
PNB Housing Finance Ltd.	2,00,00,000	5,98,00,000	4,98,00,000	1,00,00,000
YES Bank Ltd	-	2,00,00,000	-	1,15,00,000
<b>SUB Total</b>	<b>20,49,72,000</b>	<b>23,32,00,000</b>	<b>4,98,80,104</b>	<b>7,71,52,104</b>
<b>Total</b>	<b>36,03,34,595</b>	<b>36,14,38,070</b>	<b>4,98,80,104</b>	<b>7,71,52,104</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 8 - Loans and Advances

	Non Current Portion		Current Portion	
	31st March 2020 In Rs.	31st March 2019 In Rs.	31st March 2020 In Rs.	31st March 2019 In Rs.
<b>Security Deposits</b>				
<i>Unsecured, considered good unless otherwise stated</i>	-	-	-	-
Considered good	4,43,923	4,43,923	-	8,00,000
Considered doubtful				
	<b>4,43,923</b>	<b>4,43,923</b>	<b>-</b>	<b>8,00,000</b>
Less: Provision for doubtful deposits	-	-	-	-
<b>Sub-total</b>	<b>4,43,923</b>	<b>4,43,923</b>	<b>-</b>	<b>8,00,000</b>
<b>Advances recoverable in cash or kind</b>				
<i>Unsecured, considered good unless otherwise stated</i>				
Considered good	-	-	26,58,882	37,000
Considered doubtful	-	-		
	<b>-</b>	<b>-</b>	<b>26,58,882</b>	<b>37,000</b>
Less: Provision for doubtful advances				
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>26,58,882</b>	<b>37,000</b>
<b>Other loans and advances</b>				
<i>Unsecured, considered good unless otherwise stated</i>				
Income Tax Refund (net)	9,10,39,633	8,51,60,907	-	-
Balance with Post & Telegraph Office	-	-	22,237	22,237
Prepaid Expenses	-	-	2,09,940	2,57,729
Advances to employees	-	-	-	1,96,764
<b>Sub-total</b>	<b>9,10,39,633</b>	<b>8,51,60,907</b>	<b>2,32,177</b>	<b>4,76,730</b>
<b>Total</b>	<b>9,14,83,555</b>	<b>8,56,04,830</b>	<b>28,91,059</b>	<b>13,13,730</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 9 - Other Assets

	Non Current Portion		Current Portion	
	31st March	31st March	31st March	31st March
	2020 In Rs.	2019 In Rs.	2020 In Rs.	2019 In Rs.
Accrued Interest On Financial Institutions	-	-	-	30,29,638
Accrued Interest On Perpetual Bonds	-	-	8,57,838	5,78,304
Accrued Interest On Taxable Bonds	-	-	55,42,309	36,55,537
Accrued Interest on Bank deposit	-	-	-	9,38,692
Interest Accrued on Tax Free Bonds	-	-	14,14,506	13,00,281
<b>Sub-total</b>	-	-	<b>78,14,653</b>	<b>95,02,452</b>
<b>Government Grant Receivable</b>				
Market Access Initiative (MAI) grant for events abroad	-	-	78,24,097	34,66,856
<b>Sub-total</b>	-	-	<b>78,24,097</b>	<b>34,66,856</b>
<b>Other Assets</b>				
<i>Unsecured, considered good unless otherwise stated</i>				
Considered good	-	-	48,92,636	15,84,700
<b>Sub-total</b>	-	-	<b>48,92,636</b>	<b>15,84,700</b>
<b>Total</b>	-	-	<b>2,05,31,386</b>	<b>1,45,54,008</b>

#### Note 10 - Trade Receivables

	31st March 2020 In Rs.	31st March 2019 In Rs.
<i>Unsecured, considered good unless otherwise stated</i>		
<b>Outstanding for a period exceeding six months from the date they become due for payment</b>		
Considered good	7,13,250	1,150
<b>Sub-Total</b>	<b>7,13,250</b>	<b>1,150</b>
<b>"Outstanding for a period less than six months from the date they become due for payment"</b>		
Considered good	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,13,250</b>	<b>1,150</b>



# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 11 - Cash and Bank Balances

	31st March 2020 In Rs.	31st March 2019 In Rs.
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks:</b>		
In current accounts	5,77,43,601	1,85,15,141
Cash on hand	46,367	24,172
<b>Total</b>	<b>5,77,89,969</b>	<b>1,85,39,313</b>

### Note: 12 - Revenue from Operations

	2019-20 In Rs	2018-19 In Rs
<b>Operating Income</b>		
Membership- Council Member	18,30,000	18,74,000
Membership- Registered Textile Exporter (RTE)	1,23,95,000	1,35,71,000
<b>Sub -Total</b>	<b>1,42,25,000</b>	<b>1,54,45,000</b>
<b>Other Operating Income</b>		
Certificate of origin charges	2,24,229	2,77,494
Export Performance Charges	2,77,500	2,77,500
<b>Sub -Total</b>	<b>5,01,729</b>	<b>5,54,994</b>
<b>Total</b>	<b>1,47,26,729</b>	<b>1,59,99,994</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note: 13 - Government Grants

	2019-20	2018-19
	In Rs	In Rs
- Market Access Initiative (MAI) grant from Government of India for Participation in Fairs / Exhibitions and Market Studies etc.	4,58,67,261	2,65,14,454
<b>Sub -Total</b>	<b>4,58,67,261</b>	<b>2,65,14,454</b>
<i>Refund of Market Access Initiative (MAI) grant</i>	(1,28,08,289)	(29,25,000)
<b>Sub -Total</b>	<b>(1,28,08,289)</b>	<b>(29,25,000)</b>
<b>Total</b>	<b>3,30,58,972</b>	<b>2,35,89,454</b>

#### Note : 14 - Other Income

	2019-20	2018-19
	In Rs	In Rs
<b><u>Interest Income on Investments</u></b>		
8% Government of India Taxable Bonds	50,86,772	49,39,804
Tax Free Bonds	21,73,089	20,61,119
Fixed Deposits with Financial Institutions (Current & Non Current)	2,26,52,411	2,41,73,290
From Bank	19,99,086	16,28,788
From Perpetual bonds of Banks	24,03,034	21,23,500
Taxable Bonds	3,54,800	3,54,800
Incentive on Investment	1,81,580	83,880
Rent	1,01,09,003	99,99,777
Advertisement Income	96,740	59,240
Fluctuation gain on Foreign Currency	363	-
Other Income	42,99,419	1,57,718
<b>Total</b>	<b>4,93,56,297</b>	<b>4,55,81,916</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 15 - Exhibition & Buyer Seller Meet Expenses (net)

	2019-20	2018-19
	In Rs	In Rs
Exhibition Expenses & Buyer Seller Meet	10,18,51,591	7,23,73,133
Less: Contribution from Exporters	(6,88,27,630)	(4,38,15,853)
<b>Total</b>	<b>3,30,23,961</b>	<b>2,85,57,280</b>

#### Note 16 - Printing ,Publicity and Awards Expenses (net)

	2019-20	2018-19
	In Rs	In Rs
Printing of Reports, Publicity, Gift Articles, Awards etc.	45,50,460	65,78,094
Less: Advertisement / Sponsorship recovery from exporters	(40,50,152)	(47,00,944)
<b>Total</b>	<b>5,00,308</b>	<b>18,77,150</b>

#### Note 17 - Delegation, Seminar and Market Survey Expenses (net)

	2019-20	2018-19
	In Rs	In Rs
Delegation, Seminar and Market Survey Expense	50,50,584	70,99,042
Less: Contribution from exporters	(7,65,000)	(11,09,500)
<b>Total</b>	<b>42,85,584</b>	<b>59,89,542</b>

#### Note 18 - Employee Benefit Expenses

	2019-20	2018-19
	In Rs	In Rs
Salaries & allowances	1,97,80,985	1,70,93,248
Payment to contractual employees	57,90,791	53,29,044
Leave Encashment Benefit	34,72,272	19,07,960
Contribution to provident fund	14,84,302	13,19,607
Contribution to group gratuity scheme	14,30,621	8,10,054
Staff welfare expenses	58,849	66,702
<b>Total</b>	<b>3,20,17,820</b>	<b>2,65,26,615</b>

## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 19 - Other Expenses

	2019-20	2018-19
	In Rs	In Rs
Travelling Expenses	28,56,935	43,04,292
Advertisement Expenses	6,75,000	7,70,000
Rent	45,11,997	50,86,259
Rate & Taxes	6,71,741	6,25,672
Legal & Professional Charges	34,58,158	31,29,680
Electricity Expenses	8,84,259	9,22,585
Printing & Stationery	1,90,915	4,56,189
Auditor's Remuneration (Refer Note below)	2,50,000	2,50,000
Internal Audit Fees	1,00,000	1,00,000
Repairs & Maintenance	8,66,925	8,26,120
Telephone Expenses	3,36,450	3,45,121
Amortization of premium/ discount on investments	1,98,101	1,34,770
Postage & Courier	94,484	1,29,611
Website Charges	1,75,314	1,15,693
Meeting Expenses	1,94,783	5,34,236
Entertainment Expenses	9,496	93,923
Motor Car Expenses	5,81,977	5,69,209
Interest - Others	2,44,879	48,422
Fluctuation Loss on Foreign Currency	-	32,329
Other Expenses	47,35,738	17,76,887
<b>Total</b>	<b>2,10,37,153</b>	<b>2,02,50,998</b>

#### Note:

#### Auditor's Remuneration break-up:

	2019-20	2018-19
	In Rs	In Rs
<b>As auditor:</b>		
Audit fee	2,50,000	2,50,000
Reimbursement of expenses	-	-
<b>Total</b>	<b>2,50,000</b>	<b>2,50,000</b>

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 20. Disclosure in accordance with Revised AS – 15 on “Employee Benefits”

	31st March 2020 In Rs	31st March 2019 In Rs
<b>(A) Defined contribution plans</b>		
Particulars		
Contribution to Provident Fund	14,84,302	13,19,607
<b>(B) Defined benefit plans – Gratuity</b>		
The following disclosure is as per valuation report as at the Balance Sheet date, carried by an independent actuary:		
<b>Actuarial assumptions</b>		
Discount rate	6.45%	7.35%
Expected return on plan assets	7.00%	7.50%
Salary escalation	8.00%	8.00%
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	1,36,24,450	1,20,78,151
Current service cost	4,27,747	3,80,142
Interest cost	7,83,969	7,18,622
Benefits paid		-
Actuarial losses/(gains)	12,74,034	4,47,535
Present value of DBO at the end of the year	<b>1,61,10,200</b>	<b>1,36,24,450</b>
<b>Change in fair value of plan assets during the year</b>		
Fair value of Plan assets at beginning of the year	1,28,14,396	1,21,57,670
Expected return on plan assets	7,44,634	7,14,910
Current service cost		-
Contribution	8,10,054	-
Interest cost		-
Benefits paid		-
Actuarial losses/(gains)	3,10,495	(58,184)
Fair value of plan assets at the end of the year	<b>1,46,79,579</b>	<b>1,28,14,396</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
Present value of defined benefit obligations at the end of the year	1,61,10,200	1,36,24,450
Fair value of Plan Assets at the end of the year	1,46,79,579	1,28,14,396
Funded status [Surplus / (Deficit)]	(14,30,621)	(8,10,054)
Unrecognised past service costs		-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(14,30,621)</b>	<b>(8,10,054)</b>
<b>Expenses recognised in the Statement of Income and Expenditure</b>		
Current service cost	4,27,747	3,80,142
Interest cost	7,83,969	7,18,622
Expected return on plan assets	(7,44,634)	(7,14,910)
Net actuarial Loss recognized in the Statement of Income and Expenditure	9,63,539	5,05,719
<b>Total expenses recognised in Statement of Income and Expenditure*</b>	<b>14,30,621</b>	<b>8,89,573</b>
<b>The contributions expected to be paid to the plan during the annual period</b>	<b>10,00,000</b>	<b>10,00,000</b>

\* 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

<b>Gratuity</b>	<b>2019-2020</b>	<b>2018-2019</b>
Present value of DBO	1,61,10,200	1,36,24,450
Fair value of plan assets	1,46,79,579	1,28,14,396
Funded status [Surplus / (Deficit)]*	(14,30,621)	(8,10,054)
Experience gain / (loss) adjustments on plan liabilities	7,35,580	2,65,319
Experience gain / (loss) adjustments on plan assets	3,10,495	(58,184)

#### **(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:

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Rupees		
<b>Actuarial assumptions</b>		
Discount rate	6.45%	7.35%
Expected return on plan assets	7.50%	7.50%
Salary escalation	8.00%	8.00%
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	1,30,45,968	1,16,09,788
Present value of DBO at the end of the year	1,59,59,836	1,30,45,968

#### **Note 21 - MDA GRANTS FOR DISBURSEMENT TO EXPORTERS**

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
	<b>In Rs</b>	<b>In Rs</b>
As per last Balance Sheet	-	-
Add : Receipts during the year	-	41,47,864
Less : Disbursed during the year	-	(41,47,864)
Less : Refunded / refundable / adjusted during the year	-	-
<b>MDA Grant to be disbursed to Exporters</b>	<b>-</b>	<b>-</b>

#### **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:**

<b>Related Party</b>	<b>Nature of relationship</b>
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 2020	31st March 2019
		In Rs	In Rs
Dr. Siddhartha Rajagopal - Executive Director	Salary and Allowances	63,85,096	60,44,979
	Contribution to Provident Fund	5,21,833	4,64,678
	Perquisite in Cash or in kind	3,68,160	4,78,799
	Reimbursements of expenses	41,041	56,277
	<b>Total</b>	<b>73,16,130</b>	<b>70,44,733</b>

**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. However, the special leave petition was withdrawn by the Income-tax department in terms of the Circular No. 17/2019 dated 08 August 2019 due to low tax effect (i.e. the tax effect in the matter being less than 2 crores) and consequently an Order dated 14 January 2020 was passed by the Hon'ble Supreme Court dismissing the special leave petition as withdrawn. 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, 2016-17 and 2017-18. 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 2016-17 or for earlier years amounting to Rs.9,09,34,855 /-, (Previous year Rs.8,11,99,205). The management of the council, having regard to favourable decision of the 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.82,298,498/- (Previous Year Rs. 53,225,976/-).

**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. 48,24,216/- (Previous Year Rs. 33,39,766/-) towards compensation. The amount is considered as capital receipt and appropriated to the carrying value of asset. The balance amount is disclosed as Other Income.

**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 2020 In Rs	31st March 2019 In Rs
Lease Rentals (Included in Other Expenses Note -19)	45,11,997	50,86,259
<b>Obligation of Non - Cancellable Lease</b>		
Not Later than One Year	45,12,000	48,10,000
Later than one year but not later than five years	1,43,84,667	1,85,84,000

**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 2020 In Rs	31st March 2019 In Rs
Lease Income (Included in Other Income Note - 14)	1,01,09,003	99,99,777
<b>Receivable on Non - Cancellable Lease</b>		
Not Later than One Year	1,02,13,800	1,02,13,800
Later than one year but not later than five years	1,63,92,218	2,66,96,250

#### **Note 31 - IMPACT OF COVID 19**

On March 11 2020, the World Health Organisation declared Covid-19 outbreak as a Pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lockdowns' across the country, from March 22, 2020. The council's operations were also affected due to lockdowns. With the lifting of the partial lockdown restrictions, the council has started its operations. Council is in a comfortable liquidity position to meet its commitments. The council basis its assessment does not foresee impact of COVID-19 on the carrying value of property, plant equipment, intangible assets, investments, and other current assets appearing in the financial statements of the council. Based on its internal assessment, Management believes that the council will continue as a going concern and will be able to discharge its liabilities and realize the carrying amount of its assets as on March 31, 2020

**Note 32** - 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

Gaurav Keniya  
Partner  
Membership No: 162583  
Udin : 20162583AAAAACY2520  
Date: 19th October 2020  
Place: Mumbai

Dr. Siddhartha Rajagopal  
Executive Director

N. Ravindranathan  
Director

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

Dr. K V Srinivasan  
Chairman

Tushar Ruparelia  
Umesh Lahoti

Manoj Patodia  
Vice Chairman

} Committee  
Members



# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## REWARDING EXCELLENCE IN EXPORTS

(2018-2019)



Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles and Women & 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 Pirmal
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 Chintal	:	IT Officer
Mrs. Smita Dalvi	:	Administrative Officer
Mrs. Deepa Kini	:	Executive Secretary to ED

## REGIONAL OFFICE

New Delhi

Shri K. Raju	:	Regional Officer
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**OTHER STAFF : 12**



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