



# TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA  
(Sponsored by Government of India)  
AN ISO 9001 : 2015 CERTIFIED COMPANY



# 64<sup>th</sup> ANNUAL REPORT 2017-18



from farm to fashion

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

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## COMMITTEE OF ADMINISTRATION 2017-2018

Shri Ujwal R. Lahoti, Chairman  
Dr. K. V. Srinivasan, Vice Chairman  
Shri R. K. Dalmia  
Shri Manojkumar Patodia  
Ms. Preeti M. Sheth  
Shri Arun Todi  
Shri Umang Patodia  
Shri D. L. Sharma  
Shri Ketan Manek  
Shri Tushar Ruparelia  
Shri Prakash Shah  
Shri K. Hari Thiagarajan  
Shri Aditya Krishna Pathy  
Ms. Mridula Ramesh  
Shri M. Sivakkannan  
Shri Vijaykumar Agarwal (from 26.09.2017)  
Shri S. K. Saraf (from 26.09.2017)  
Shri Rajesh Mandawewala  
Shri S. K. Khandelvia (till 26.09.2017)  
Shri K. M. Poddar (till 09.08.2017)  
Dr. Subrata Gupta, Joint Secretary, Ministry of Textiles  
Dr. Kavita Gupta, Textile Commissioner  
Shri Parag H. Udani  
Shri S. Dinakaran (till 26.09.2017)  
Shri P. Natraj (from 26.09.2017)  
Shri Naishadh Parikh (till 03.05.2017)  
Shri Sanjay Jain (from 26.09.2017)  
Shri Maninarayanan Velayutham  
Shri Ashwin Chandran  
Shri Vishnukumar Jalan

**EXECUTIVE DIRECTOR**  
Dr. Siddhartha Rajagopal

### AUDITORS

Nipun Sudhir & Associates  
Chartered Accountants  
505, Tulsiani Chambers, 5<sup>th</sup> 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 64<sup>th</sup> Annual General Meeting of the Members of the Council will be held at 11.30 A.M on Thursday, 29<sup>th</sup> November, 2018 at “Grand Cru Salon”, The St. Regis, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, 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 2017-18 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 64<sup>th</sup> Report of the Committee for the year 2017-18, 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 the category with an Export Performance more than Rs. 50 Crores.
4. To elect a Member of the Committee of Administration of the Council in the category with an Export Performance more than Rs. 50 Crores.
5. To elect a Member of the Committee of Administration of the Council in the category with an Export Performance more than Rs. 50 Crores.
6. To elect a Member of the Committee of Administration of the Council in the category with an Export Performance above Rs. 15 Crores to Rs. 50 Crores.
7. To elect a Member of the Committee of Administration of the Council in the category with an Export Performance above Rs. 15 Crores to Rs. 50 Crores.
8. To elect a Member of the Committee of Administration of the Council in the category with an Export Performance between Rs. 5 Crores to Rs. 15 Crores.
9. To appoint Auditor of the Council to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
10. To consider any other business with the permission of Chair.

By Order of the Committee

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

Mumbai, 15 September 2018



## ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING

### NOTES TO MEMBERS:

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf and the proxy need not be a Member of the Council.
2. A proxy in order to be valid should be duly completed, stamped, signed and lodged at the Registered Office of the Council not later than 48 hours before the meeting.
3. The facility for voting, either through electronic voting system or ballot or polling paper shall be made available (excluding item No. 3 to 8 of ordinary business of the Notice) at the meeting.
4. The Register of Members of the Council will be closed from 19.11.2018 to 29.11.2018 (both days inclusive).
5. Members are requested to notify change of their address or email address.
6. Members having any queries on Accounts and operations of the Company are requested to send the same in writing before one week of the date of Annual General Meeting at the registered office of the Company or by email at [info@texprocil.org](mailto:info@texprocil.org) so as to enable the management to keep the information ready at the meeting.
7. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the meeting.
8. Ms. Deepa Gupta, Practicing Company Secretary, Mumbai (M.No.20860, C.P.8168) has been appointed as the Scrutinizer for conducting the e voting process in a fair and transparent manner.

### E-VOTING PROCEDURE:

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

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

The e-voting period commences on November 26, 2018 (10:00 am) and ends on November 28, 2018 (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 process and manner for e-voting is given below. On receipt of an email from NSDL (on members' registered email ID), please take the following action:

1. Open the attached PDF file viz., "e-Voting.pdf" received in the email, with your IEC (in 10 digits numerical) as password. The said .pdf file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>



3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of “e-voting” opens. Click on e-voting: Active Voting Cycles.
7. Select “EVEN” of “TEXPROCIL”. Members can cast their vote online from November 26, 2018 (10:00 am) and ends on November 28, 2018 (5:00 pm).
8. Note: The e-voting shall be disabled by NSDL for voting thereafter.
9. Now you are ready for “e-Voting” as “Cast Vote” page opens.
10. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted
11. Upon confirmation, the message “Vote cast successfully” will be displayed.
12. If desired, you can also take print out of the vote cast.
13. Once you have voted on the resolution, you will not be allowed to modify your vote.
14. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com)
15. The results declared along with the Report of the Scrutinizer shall also be placed on the website of the Council on [www.texprocil.org](http://www.texprocil.org) and on the website of NSDL.

**Please note the following:**

A person, whose name is recorded in the register of members as on the cut-off date i.e. 16.11.2018 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.

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.nsd.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 2017-2018

As per an International Monetary Fund (IMF) Report on World Economic Outlook (July, 2018), global growth is projected to reach 3.9 percent in 2018 and 2019, although the expansion is expected to be uneven on account of rising oil prices, escalating trade tensions and market pressure on some currencies in economies with weaker fundamentals.

Against this background, India has transitioned into one of the fastest-growing economies in the world in recent years, due to market liberalisation, the implementation of structural reforms like the GST and move towards a rule based framework like Insolvency & Bankruptcy Code (IBC). The International Monetary Fund, in its annual outlook on India's economic indicators, has predicted a growth rate of 7.3% for the current fiscal year and 7.5% for FY2020.



### WELCOMING THE HON'BLE MINISTER OF TEXTILES

Hon'ble Minister of Textiles Smt. Smriti Zubin Irani (2<sup>nd</sup> from Left) being welcomed by Shri Ujwal Lahoti Chairman, TEXPROCIL (extreme right) at a meeting of Textile Industry Stakeholders organized in New Delhi.



## WORLD MERCHANDISE TRADE

A WTO Report 2018, observes that growth in merchandise trade volume was strongest in developing economies for the whole of 2017. The value of world merchandise exports increased to US \$ 17.73 trillion in 2017 from US \$ 16.02 trillion in 2016 i.e. a growth of 10.61%, thereby recording its highest growth rate in six years in 2017 both in value and volume terms.

However, the share of textile and clothing in overall merchandise trade in 2017 has decreased to 4.26% from 4.53% in 2016 as shown in Table I.

**Table I: WORLD MERCHANDISE TRADE AND TEXTILES & CLOTHING EXPORTS**

Category	Value in US \$ Billion		
	2015	2016	2017
World Merchandise Trade	16519	16029	17730
World Textiles & Clothing Exports	745	727	756
% Share of Textiles & Clothing in World Merchandise Trade	4.51%	4.53%	4.26%
% Growth in Merchandise Trade	-12.91%	-2.97%	10.61%
% Growth in Textiles & Clothing Exports	-6.77%	-2.42%	3.96%

*Source: WTO & GTA Estimates*



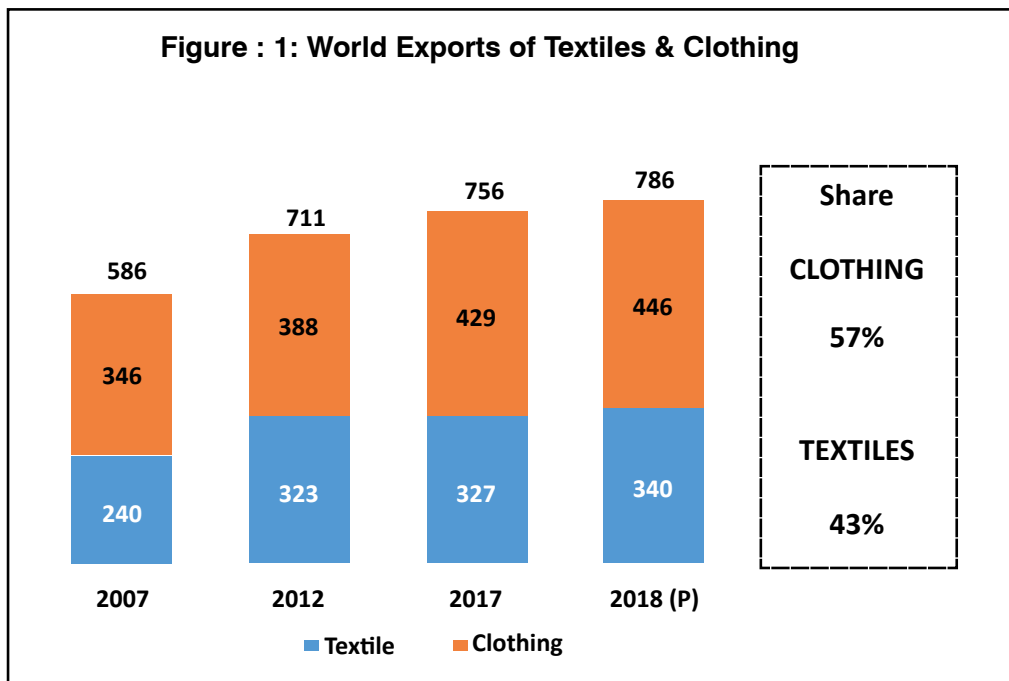
### WELCOMING THE HON'BLE COMMERCE & INDUSTRY MINISTER

Hon'ble Commerce & Industry Minister Shri Suresh Prabhu (Right) being greeted by Shri Ujwal Lahoti Chairman, TEXPROCIL (Centre) along with Dr. Siddhartha Rajagopal, Executive Director at the Minister's office in New Delhi.



## WORLD TRADE IN TEXTILE AND CLOTHING

The world trade in textile and clothing grew in 2017 by 3.96% over the previous year, reaching a level of USD 756 billion. Out of this, while clothing accounts for 57% share of the world trade, textile accounts for 43% share. The world trade in textile and clothing is expected to grow at 3.9% during the next year reaching a level of around USD 786 billion in the year 2018 as shown in figure 1.



### TEXPROCIL @ Meeting with HMCI & HMOT

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles (Centre) led a delegation of leading members of TEXPROCIL including Shri Ujwal Lahoti, Chairman, (2<sup>nd</sup> from Left) to meet Shri Suresh Prabhu, Hon'ble Minister of Commerce & Industry (2<sup>nd</sup> from Right) on 28 March 2018 to discuss current industry situation.





## DIRECTION OF REGIONAL TRADE

Regional flows in World Trade (Table II below) show an increasing trend as all the regions registered a positive growth in their trade during the period January-December 2017, as compared to the previous year.

**Table II: Major Regional Flows in World Textile Trade**

Region	Value in US \$ Billion				
	2014	2015	2016	2017 (E)	% Growth (Y-O-Y)
Intra EU(28)	57.17	49.59	50.03	51.64	3.22%
Intra-Asia	89.80	88.84	86.51	87.90	1.61%
Asia to Europe	30.13	27.69	27.24	28.54	4.77%
Asia to North America	26.42	26.53	26.15	27.25	4.21%
Intra - North America	10.66	10.59	10.21	10.57	3.53%
North America to LAC	3.90	3.75	3.28	3.46	5.49%

*Source: Upto 2016 WTO, 2017 figures are estimated by ITC Geneva*

An analysis of regional trade flows shows that Intra EU (28) registered a growth of 3.22% reaching a level of USD 51.64 billion in 2017. Intra-Asia trade grew by 1.61% reaching USD 87.90 billion.

Asia and Europe made significant positive contribution in 2017, growing by 4.77%, with trade between them being valued at USD 28.54 billion.

During this period, Asian and North American trade also grew by 4.21% reaching a level of USD 27.25 billion during 2017. Trade level between North America and Latin American Countries (LAC) has reported the highest growth of 5.49% in 2017.



### TEXPROCIL @ Meeting with Hon'ble Minister of Finance

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles (2<sup>nd</sup> from Right) led a delegation of Indian textile bodies including TEXPROCIL represented by Shri Ujwal Lahoti, Chairman, (3<sup>rd</sup> from Right) to meet Shri Arun Jaitley, Hon'ble Minister of Finance (2<sup>nd</sup> from Left) on 26 May 2018.

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

The top ten suppliers of textile and clothing exported goods worth USD 525.11 billion to the world during the period January-December 2017, accounting for a share of 69.44% as shown in Table III.

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

Country	Billion United States Dollars			% Share	% Change
	2015	2016	2017	2017	2017/2016
World	745.26	726.89	755.70	100.00	3.96
China	273.58	257.32	258.46	34.20	0.44
India	37.20	35.53	37.44	4.95	5.37
Germany	30.29	30.72	35.22	4.66	14.64
Bangladesh	31.78	33.78	34.61	4.57	2.45
Italy	31.64	32.17	33.93	4.48	5.47
Vietnam	28.28	29.72	32.89	4.35	10.66
Turkey	26.32	26.19	26.83	3.55	2.44
United States	24.95	23.61	25.89	3.42	9.65
Hong Kong	26.54	22.80	21.31	2.81	-6.53
Spain	15.28	16.53	18.53	2.45	12.09
Total of Top 10	525.86	508.37	525.11	69.44	

*Source: GTA*

## OBSERVATIONS

- ❖ In 2017, India registered a growth of 5.37% reaching a level of USD 37.44 billion. It's share in world trade in textile and clothing is estimated to be 4.95% in 2017.
- ❖ India, with exports of USD 37.44 billion ranked 2<sup>nd</sup> and its exports are 1/7<sup>th</sup> of China's level of exports.
- ❖ China's textile and clothing exports grew by 0.44% and amounted to USD 258.46 billion. China is still leading in textile and clothing exports with a share of 34.20%.
- ❖ Exports from Bangladesh, Vietnam and Turkey grew by 2.45%, 10.66% and 2.44% respectively during 2017.



## MAJOR EXPORTERS OF TEXTILES

The top ten suppliers of textile exported goods worth USD 228.46 billion globally during the period January-December 2017, accounting for a share of 69.77% as shown in Table IV.

Table IV: MAJOR EXPORTERS OF TEXTILES					
Country	Billion United States Dollars			% Share	% Change
	2015	2016	2017	2017	2017/2016
World	319.45	310.40	327.19	100.00	5.40
China	111.23	107.89	112.43	34.36	4.20
United States	19.63	18.66	20.90	6.38	12.00
India	20.03	18.55	20.01	6.11	7.87
Germany	14.10	14.18	14.92	4.56	5.21
Italy	12.20	12.15	12.53	3.82	3.12
Turkey	11.49	11.43	12.04	3.67	5.33
South Korea	12.10	11.39	11.42	3.49	0.26
Taiwan	10.11	9.33	9.50	2.90	1.82
Hong Kong	9.09	7.88	7.58	2.31	-3.80
Pakistan	7.50	6.79	7.13	2.17	5.00
Total of Top 10	227.48	218.25	228.46	69.77	

Source: GTA

## OBSERVATIONS

- ❖ World trade in textiles grew by 5.40% in 2017, rising from USD 310.40 billion during January-December 2016 to USD 327.19 billion during January-December 2017 as shown in Table IV.
- ❖ India being the 3<sup>rd</sup> largest exporter of textiles to the world after China and United States, exported textile goods worth USD 20.01 billion in January-December 2017 with a share of 6.11% in world trade in these items. India's textile exports in 2017 grew by 7.87%.
- ❖ China being the leading exporter of textiles to the world, reported a growth of 4.20% with an export level of USD 112.43 billion during January-December 2017. United States, second largest exporter, reported highest the growth of 12% in 2017.
- ❖ Exports from Germany (ranked 4<sup>th</sup>) grew by 5.21% during January-December 2017.
- ❖ Italy, Turkey, South Korea, Taiwan and Pakistan reported growths of 3.12%, 5.33%, 0.26%, 1.82% and 5% respectively in the same period.



## MAJOR IMPORTERS OF TEXTILES

The top ten importing countries had a cumulative share of 53.75% in world textile imports during the period January-December 2017 as shown in Table V.

Country	Billion United States Dollars			% Share	% Change
	2015	2016	2017	2017	2017/2016
World	267.71	261.63	277.03	100.00	5.88
United States	28.99	28.13	29.02	10.47	3.16
China	26.35	22.41	24.43	8.81	9.01
Vietnam	19.15	19.14	20.69	7.46	8.09
Germany	13.83	14.06	14.64	5.28	4.12
Bangladesh	8.94	9.14	10.35	3.73	13.23
Italy	9.28	9.35	9.81	3.54	4.91
Turkey	8.56	8.44	9.77	3.52	15.75
Japan	8.52	8.46	8.68	3.13	2.60
Indonesia	7.57	7.75	8.23	2.97	6.19
United Kingdom	8.28	7.59	7.49	2.70	-1.31
Total of Top 10	144.78	139.98	149.05	53.75	

*Source: GTA*

## OBSERVATIONS

- ❖ In 2017, world textile imports grew by 5.88% valued at USD 277.03 billion as shown in Table V.
- ❖ USA was the largest importer of textiles in 2017, with imports reaching a level of USD 29.02 billion.
- ❖ China being the 2<sup>nd</sup> leading importer of textiles in the world, reported a growth of 9.01% with an import level of USD 24.43 billion during January-December 2017.
- ❖ Vietnam imported textiles worth USD 20.69 billion, reporting a growth of 8.09%.
- ❖ Germany, Bangladesh, Italy, Turkey, Japan and Indonesia reported positive growth of 4.12%, 13.23%, 4.91%, 15.75%, 2.60% and 6.19% respectively during this period.
- ❖ United Kingdom reported a decline of (-) 1.31% during January-December 2017.
- ❖ India trade in textiles grew by 7.80% in 2017, rising from USD 5.51 billion during January-December 2016 to USD 5.94 billion during January-December 2017.



## GLOBAL TRADE IN COTTON TEXTILE PRODUCTS

Table VI: Global Trade in Cotton Textile Products										
Category	Value in Billion United States Dollar						% Growth			
	2015		2016		2017		2016/2015		2017/2016	
	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton	Total	Cotton
Yarn	41.88	14.12	39.83	12.78	41.83	13.73	-4.89	-9.49	5.02	7.43
Fabrics	139.64	56.96	134.27	54.78	138.12	56.53	-3.84	-3.82	2.86	3.19
Madeups	93.70	45.31	92.39	45.14	96.42	47.03	-1.39	-0.37	4.36	4.18
<b>TOTAL</b>	<b>275.22</b>	<b>116.39</b>	<b>266.49</b>	<b>112.70</b>	<b>276.37</b>	<b>117.29</b>	<b>-3.17</b>	<b>-3.17</b>	<b>3.70</b>	<b>4.07</b>
<b>Exports from India</b>										
Yarn	5.60	3.79	5.00	3.22	5.46	3.45	-10.71	-15.03	9.20	7.14
Fabrics	5.20	2.21	4.75	2.04	4.94	2.11	-8.65	-7.69	4.00	3.43
Madeups	7.83	5.14	7.68	5.19	7.92	5.26	-1.91	0.97	3.12	1.34
<b>TOTAL</b>	<b>18.63</b>	<b>11.14</b>	<b>17.43</b>	<b>10.45</b>	<b>18.32</b>	<b>10.82</b>	<b>-6.44</b>	<b>-6.19</b>	<b>5.10</b>	<b>3.54</b>
<b>India's Share in World Exports</b>										
Yarn	13.37	26.84	12.55	25.19	13.05	25.12	-	-	-	-
Fabrics	3.72	3.87	3.53	3.72	3.57	3.73	-	-	-	-
Madeups	8.35	11.34	8.31	11.49	8.21	11.18	-	-	-	-
<b>TOTAL</b>	<b>6.76</b>	<b>9.57</b>	<b>6.54</b>	<b>9.27</b>	<b>6.62</b>	<b>9.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: GTA

### OBSERVATIONS

- ❖ World textiles trade comprising Yarns, Fabrics and Made-up (all fibres) reported a growth of 3.70%, reaching a level of USD 276.37 billion during January-December 2017, with the trade in cotton textiles growing by 4.07% and reaching a level of USD 117.29 billion.
- ❖ Cotton made-ups (USD 47.03 billion) accounted for 40.10% share in global trade of cotton textiles while cotton fabrics (USD 56.53 billion) and cotton yarns (USD 13.73 billion) accounted for 48.19% and 11.71% of total world trade in these items, respectively.
- ❖ During this period India exported textile products (all fibers) worth USD 18.32 billion and cotton textile products worth USD 10.82 billion. Exports of these items increased by 5.10% and 3.54% over the previous year respectively.
- ❖ Global export of cotton yarns during January-December 2017 reached a level of USD 13.73 billion increasing from USD 12.78 billion marking a growth of 7.43%. Exports of all types of yarns from the World also grew by 5.02% during 2017.
- ❖ As the largest exporter, India's export of cotton yarns reached a level of USD 3.45 billion increasing from USD 3.22 billion, growing by 7.14% during January-December 2017. Exports of all types of yarns from India too grew by 9.20% in 2017.
- ❖ India's exports of all fabrics grew by 4% increasing to USD 4.94 billion in January-December 2017 from USD 4.75 billion in January-December 2016. In case of cotton fabrics, India's exports reported a growth of 3.43% during 2017 and the global trade too showed a growth of 3.19%.
- ❖ India's exports of made-ups (all fibres) grew by 3.12% during the period January-December 2017. In the case of cotton made-ups, India grew by 1.34%, increasing from USD 5.26 billion in January-December 2017 to USD 5.19 billion in January-December 2016.
- ❖ Cotton made-ups dominated the Indian cotton textiles basket with a share of 48.61%, followed by cotton yarns (31.88%) and cotton fabrics (19.51%).



## TEXTILE AND CLOTHING IMPORT TRENDS IN MAJOR MARKETS

### TEXTILE AND CLOTHING IMPORT TRENDS IN USA

Table VII: USA Imports of Textiles and Clothing					
Details	2015	2016	2017	Jan/May 2017	Jan/May 2018
Textiles (Bn. USD)	29.00	28.13	29.02	11.76	12.29
% Growth	4.31%	-3.00%	3.16%	2.61%	4.50%
Clothing (Bn. USD)	86.10	81.33	80.83	30.92	31.75
% Growth	3.75%	-5.54%	-0.61%	-1.56%	2.68%
T & C (Bn. USD)	115.10	109.46	109.85	42.68	44.04
% Growth	3.89%	-4.90%	0.35%	-0.44%	3.18%

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

### OBSERVATIONS

- ❖ Overall, the Textile and Clothing import in USA reported a growth of 0.35% during January-December 2017 valued at USD 109.85 billion as shown in Table VII.
- ❖ While textiles reported a growth of 3.16% in 2017, increasing from USD 28.13 billion during January-December 2016 to USD 29.02 billion during January-December 2017, clothing imports have slightly declined by (-) 0.61% during the same period.
- ❖ During January-May 2018, US imports of Textiles has grown by 4.50% as compared to January-May 2017.
- ❖ Overall imports of Textile and Clothing in USA has recorded growth of 3.18% during the period January-May 2018.



#### TEXPROCIL @ Meeting with Parliamentary Committee on ROSL

Shri Ujwal Lahoti, Chairman, (5<sup>th</sup> from Right) & Dr. Siddhartha Rajagopal, Executive Director, (6<sup>th</sup> from Right) along with the other TEXPROCIL officials met the Parliamentary Committee on ROSL on 3 November 2018 to represent the various demands of the Council's member exporters.



## MAJOR EXPORTERS OF TEXTILE & CLOTHING TO USA

Country	Value in Billion USD					% Growth		% Share	
	2015	2016	2017	Jan/May 2017	Jan/May 2018	Jan/Dec 2017/2016	Jan/May 2018/2017	2016	2017
World	115.10	109.46	109.85	42.68	44.04	0.35	3.18	100.00	100.00
China	42.60	39.47	38.98	13.99	13.92	-1.24	-0.50	36.05	35.48
Vietnam	10.88	11.07	11.85	4.58	4.90	7.04	6.98	10.11	10.78
India	7.61	7.59	7.82	3.46	3.54	3.03	2.31	6.93	7.11
Mexico	5.35	5.16	5.45	2.17	2.18	5.62	0.46	4.71	4.96
Bangladesh	5.49	5.36	5.14	2.20	2.29	-4.10	4.09	4.89	4.67
Indonesia	5.22	4.97	4.79	2.03	2.00	-3.62	-1.47	4.54	4.36
Pakistan	3.03	2.75	2.80	1.14	1.20	1.81	5.26	2.51	2.54
Honduras	2.81	2.67	2.59	1.01	1.01	-2.99	0.00	2.43	2.35
Cambodia	2.52	2.18	2.20	0.85	0.98	0.91	15.29	1.99	2.00
Sri Lanka	2.10	2.02	2.01	0.84	0.76	-0.49	-9.52	1.84	1.82

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

### OBSERVATIONS

- ❖ Overall, the Textile and Clothing import into USA grew by 0.35% during January-December 2017 reaching a level of USD 109.85 billion as shown in Table VIII.
- ❖ The T&C market in USA has grown by 3.18% in first five months of 2018, as shown in Table VIII.
- ❖ India ranked as the 3<sup>rd</sup> largest supplier after China and Vietnam in the USA market exporting textile and clothing products worth USD 7.82 billion during 2017, registering a growth of 3.03% over the previous year. Exports in the period January-May of 2018 grew by 2.31%.
- ❖ China continued to dominate the US T&C market with a share of 35.48% during 2017.
- ❖ Vietnam has been increasing its share in USA T&C market rapidly with a growth rate of 7.04%. It exported T&C products worth USD 11.85 billion in 2017 and maintained its position as the second largest supplier after China. Exports in the period January-May of 2018 grew by 6.98%.
- ❖ Exports from Bangladesh have declined by (-) 4.10% during January-December 2017. During first five months of 2018, Bangladesh exports increased by 4.09%.
- ❖ Sri Lanka reported a decline of (-) 0.49% during January-December 2017.
- ❖ The top ten suppliers of textile and clothing to USA hold a collective share of 76.07% 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	
	2015	2016	2017	Jan/May 2017	Jan/May 2018	Jan/Dec 2017/2016	Jan/May 2018/2017	2016	2017
World	29.00	28.13	29.02	11.76	12.29	3.16	4.50	100.00	100.00
China	11.55	11.23	11.70	4.55	4.72	4.18	3.73	39.92	40.31
India	3.90	3.92	4.11	1.75	1.75	4.84	0.00	13.93	14.16
Mexico	1.66	1.65	1.77	0.73	0.77	7.27	5.47	5.86	6.09
Pakistan	1.58	1.46	1.50	0.64	0.65	2.73	1.56	5.19	5.16
Canada	1.35	1.33	1.25	0.53	0.54	-6.01	1.88	4.72	4.30
Turkey	0.90	0.95	1.08	0.41	0.50	13.68	21.95	3.37	3.72
South Korea	1.01	0.97	0.94	0.39	0.41	-3.09	5.12	3.44	3.23
Germany	0.65	0.60	0.64	0.25	0.29	6.66	16.00	2.13	2.20
Taiwan	0.70	0.64	0.62	0.24	0.23	-3.12	-4.16	2.27	2.13
Japan	0.65	0.61	0.61	0.25	0.25	0.00	0.00	2.16	2.10

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

### OBSERVATIONS

- ❖ Textile imports into USA grew by 3.16% in 2017 and by 4.50% in the first five months of 2018, amounting to USD 29.02 billion and USD 12.29 billion respectively, as shown in Table IX.
- ❖ Imports of textiles from India to USA grew by 4.84% during 2017, amounting to USD 4.11 billion. India's share in the textile imports into USA grew to 14.16% in 2017 from 13.93% in 2016.
- ❖ China had the largest share of 40.31% in textile imports into USA. Its exports grew by 4.18% accounting for USD 11.70 billion of the total imports of USD 29.02 billion in 2017. In the period January-May 2018, China reported a growth of 3.73% in its exports to USA.
- ❖ Textile exports from Mexico, Pakistan, Turkey and Germany grew by 7.27%, 2.73%, 13.68% and 6.66% respectively during January-December 2017.
- ❖ In the period January-December of 2017, exports from Canada and Taiwan have declined.
- ❖ The top ten suppliers of textiles have a collective share of 83.40% in the US textile imports.





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

Table X: EU (28) Imports of Textile and Clothing					
Details	2015	2016	2017	Jan/May 2017	Jan/May 2018
Textiles (Bn. USD)	31.83	32.18	33.90	14.12	15.67
% Growth	-9.39%	1.09%	5.34%	0.55%	10.97%
Clothing (Bn. USD)	89.74	90.02	93.23	35.23	39.16
% Growth	-7.93%	0.31%	3.56%	-1.46%	11.15%
T & C (Bn. USD)	121.57	122.20	127.13	49.35	54.83
% Growth	-8.31%	0.51%	4.03%	-0.89%	11.10%

Source: GTA, Eurostat

### OBSERVATIONS

- ❖ EU (28) textile and clothing imports has increased by 4.03% during 2017 amounting to USD 127.13 billion as shown in Table X. Textile imports increased by 5.34% and clothing imports increased by 3.56% reaching USD 33.90 billion and USD 93.23 billion respectively.
- ❖ In January-May 2018, imports of textile and clothing to EU (28) grew by 11.10% in which textile imports grew by 10.97% and clothing imports grew by 11.15%



#### TEXPROCIL @ Meeting with Board Members of Messe Frankfurt, Germany

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles (Centre) led the Chairmen of Indian textile bodies including TEXPROCIL represented by Shri Ujwal Lahoti, Chairman, (2<sup>nd</sup> from Right) to meet the Board Members of Messe Frankfurt, Germany and their Indian representatives on 10 January 2018. Also seen in the pic (4<sup>th</sup> from Left) Smt. Pratibha Parkar Hon'ble Consul General, Consulate General of India in Frankfurt, Germany.

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

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

Country	Value in Billion USD					% Growth		% Share	
	2015	2016	2017	Jan/May 2017	Jan/May 2018	Jan/Dec 2017/2016	Jan/May 2018/2017	2016	2017
World	121.57	122.20	127.13	49.35	54.83	4.03	11.10	100.00	100.00
China	44.17	41.55	42.39	15.06	15.92	2.02	5.71	34.00	33.34
Bangladesh	15.84	17.02	17.85	7.37	8.44	4.87	14.51	13.92	14.04
Turkey	15.82	16.00	16.41	6.56	7.50	2.56	14.32	13.09	12.90
India	8.61	8.64	8.84	3.96	4.38	2.31	10.60	7.07	6.95
Pakistan	5.09	5.40	5.94	2.39	2.62	10.00	9.62	4.41	4.67
Cambodia	3.37	3.81	4.26	1.49	1.71	11.81	14.76	3.11	3.35
Vietnam	3.49	3.71	3.99	1.47	1.66	7.54	12.92	3.03	3.13
Morocco	2.81	3.08	3.28	1.37	1.54	6.49	12.40	2.52	2.58
Tunisia	2.52	2.47	2.51	1.06	1.26	1.61	18.86	2.02	1.97
Indonesia	1.95	1.91	1.86	0.77	0.79	-2.61	2.59	1.56	1.46

Source: GTA, Eurostat

### OBSERVATIONS

- ❖ India ranked 4<sup>th</sup> after China, Bangladesh and Turkey, in the EU (28) textile and clothing market, exporting goods worth USD 8.84 billion during 2017 and registering a growth of 2.31% as shown in Table XI.
- ❖ China continued to be the leading supplier of textile & clothing into EU (28) with a share of 33.34%, followed by Bangladesh with 14.04%, Turkey with 12.90% and India with 6.95% in the year 2017.
- ❖ Top ten exporters of textile and clothing had a collective share of 84.42% in EU (28) textile and clothing imports valued at USD 107.33 billion in 2017.
- ❖ Textile exports from Pakistan grew by 10% followed by Cambodia with 11.81% during January-December 2017.
- ❖ During the period January-December 2017, except for Indonesia, all the other suppliers amongst the top ten registered a positive growth.
- ❖ In the period January-May 2018, countries like Bangladesh, Turkey, India, Cambodia, Vietnam, Morocco and Tunisia have recorded two digit positive growth (above 10%).



## MAJOR EXPORTERS OF TEXTILE TO EU (28)

TABLE XII : Top 10 Exporters of Textile to EU (28)									
Country	Value in Billion USD					% Growth		% Share	
	2015	2016	2017	Jan/May 2017	Jan/May 2018	Jan/Dec 2017/2016	Jan/May 2018/2017	2016	2017
World	31.83	32.18	33.90	14.12	15.67	5.34	10.97	100.00	100.00
China	10.66	10.81	11.39	4.71	5.27	5.36	11.88	33.59	33.59
Turkey	5.31	5.44	5.56	2.31	2.58	2.20	11.68	16.90	16.40
India	2.89	2.94	3.18	1.32	1.49	8.16	12.87	9.13	9.38
Pakistan	2.54	2.66	2.89	1.17	1.28	8.64	9.40	8.26	8.52
United States	1.37	1.22	1.29	0.57	0.59	5.73	3.50	3.79	3.80
South Korea	1.26	1.22	1.24	0.53	0.58	1.63	9.43	3.79	3.65
Switzerland	0.91	0.9	0.89	0.37	0.41	-1.11	10.81	2.79	2.62
Japan	0.66	0.72	0.77	0.33	0.36	6.94	9.09	2.23	2.27
Taiwan	0.52	0.49	0.52	0.22	0.23	6.12	4.54	1.52	1.53
Egypt	0.53	0.49	0.49	0.21	0.23	0.00	9.52	1.52	1.44

*Source: GTA, Eurostat*

## OBSERVATIONS

- ❖ As shown in Table XII, EU (28) textile imports increased by 5.34% valued at USD 33.90 billion during 2017.
- ❖ India, the 3<sup>rd</sup> largest supplier to the EU (28) had a share of 9.38%, exporting textile goods worth USD 3.18 billion during 2017. India reported a growth of 8.16% in 2017 over previous year. Also, exports have shown an increase of 12.87% during January-May 2018.
- ❖ Exports from Pakistan, the 4<sup>th</sup> largest supplier reported a growth of 8.64% during 2017 and continued to register a positive growth of 9.40% during January-May 2018.
- ❖ As in the case of USA, China had a leading share of 33.59% in EU (28) textile imports too, with an export level of USD 11.39 billion. China reported positive growth of 5.36% in January-December 2017. Exports have shown an increase of 11.88% during January-May 2018.
- ❖ Apart from China, Turkey, India and Pakistan the other top 6 suppliers of textiles to EU (28) were USA, South Korea, Switzerland, Japan, Taiwan and Egypt.
- ❖ Top ten exporters of textiles had a collective share of 83.24% in EU (28) valued at USD 28.22 billion in 2017.
- ❖ In the period January-May 2018, all the suppliers amongst the top ten registered a positive growth.



## EXPORT PERFORMANCE IN FISCAL YEAR 2017-18

India has a large textile manufacturing set-up and is among the very few countries with production facilities across each level of the manufacturing value chain, from fiber to finished product (garments, home textiles and technical textiles). The Textile industry contributes about 4% to India's GDP, 10% of manufacturing production and 12% of the country's export earnings. With 45 million people employed directly, the textile sector is one of the largest sources of employment generation in the country.

Indian textile and clothing exports reached a level of Rs 2,30,056 crore in 2017-18 marking a slight decline of (-) 3.3% over the previous fiscal year's Rs 2,37,922 crore, owing to various factors like rising costs of inputs, rationalisation of taxation system and growing competition from emerging economies like Bangladesh, Sri Lanka & Vietnam which enjoy preferential duty access in key markets.

Export-led growth strategy has been one of the major reasons for growth amongst countries like South Korea, China, Malaysia and developed economies like Germany. While India has the advantage of a large domestic market, exports need to be accelerated so that they can play a prominent role in scripting India's future growth story.

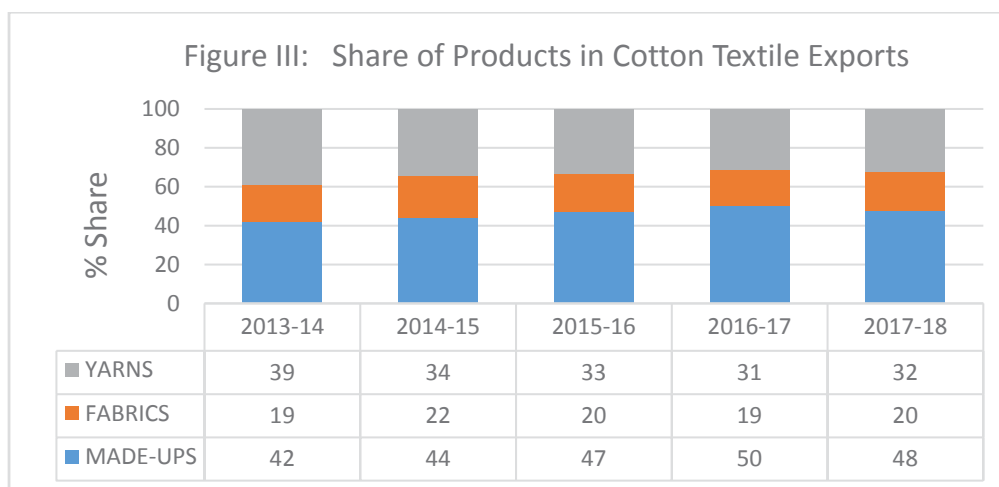
Some of the critical areas for developing a dynamic export strategy, should encompass demand-based export diversification, easing supply-side constraints and integrating the country in global value chains (GVCs). There is also a need to shift our focus from exporting what we can (or supply-based), to items that are globally-demanded.

The Economic Survey 2017-18 recognises the tremendous potential for growth in the textile and clothing sector particularly women's employment. India is well placed to make the most of the available opportunities, as it has a robust raw material base, availability of skilled workforce and competitive factor costs. Backed by appropriate policies, India would be able to substantially enhance the share of textile and clothing exports in overall exports of the country thereby also increasing the share of exports in GDP which at 19% is low as compared to other competing countries.

### EXPORTS OF COTTON TEXTILES



In 2017-18, export of cotton textiles from India increased marginally by 0.09% to a level of USD 10.71 billion from USD 10.70 billion in the previous year while Cotton yarns grew by 2.08% in value terms during the period 2017-18, Cotton made-ups showed a decline of (-) 3.20% in value terms, Cotton fabrics on the other hand, reported growth by 5.36% during the fiscal year 2017-18 as shown in Figure II.



- ❖ In FY 2017-18, share of cotton made-ups was 48%, cotton fabrics was 20% and cotton yarns was 32% in the total export of cotton textiles from India as shown in Figure III.

**Table XIII: Exports of Cotton Textiles**

Year	YARNS			FABRICS			MADEUPS			TOTAL		
	Bn.	%		Bn.	%		Bn.	%		Bn.	%	
	USD	Growth	Share	USD	Growth	Share	USD	Growth	Share	USD	Growth	Share
2017-18	3.42	2	32	2.16	5	20	5.13	-3	48	10.71	0	100
2016-17	3.35	-7	31	2.05	-5	19	5.30	2	50	10.70	-2	100
2015-16	3.61	-8	33	2.15	-12	20	5.20	3	47	10.96	-4	100
2014-15	3.94	...	34	2.44	...	22	5.05	...	44	11.43	...	100

Source: GTIS / MOC

- ❖ Export of cotton fibre, from India has increased by 15.95% during the fiscal year 2017-18 in dollar terms and in quantity terms by 9.45%. Exports of cotton textile (including Cotton) recorded a growth of 2.18% during the last fiscal year reaching a level of US\$ 12.60 billion.

**Table XIV: Exports of Cotton Textiles (Inclusive of Cotton Fibre)**

Year	COTTON FIBRE			TOTAL COTTON TEXTILES			TOTAL COTTON TEXTILES		
	Billion		%	Billion		%	Billion		%
	INR	USD	Growth	INR	USD	Growth	INR	USD	Growth
2017-18	121.56	1.89	15.95	690.75	10.71	0.09	812.31	12.60	2.18
2016-17	109.82	1.63	-15.97	717.04	10.70	-2.37	826.86	12.33	-4.41
2015-16	128.21	1.94	2.10	716.78	10.96	-4.11	844.99	12.90	-3.22
2014-15	116.43	1.90	...	699.15	11.43	...	815.58	13.33	...

Source: GTIS / MOC



## MAJOR DESTINATIONS FOR EXPORT OF COTTON TEXTILES FROM INDIA

**Table XV: Top 15 Destination for export of Cotton Textiles from India**

Rank	Country	Million United States Dollars			% Share			% Change
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2018/2017
	World	10958.24	10696.09	10715.41	100.00	100.00	100.00	0.18
1	United States	2482.72	2627.22	2593.02	22.65	24.56	24.19	-1.30
2	Bangladesh	990.24	995.88	1134.50	9.03	9.31	10.58	13.91
3	China	1525.13	1097.79	906.53	13.91	10.26	8.46	-17.42
4	UAE	626.57	524.29	370.97	5.71	4.90	3.46	-29.24
5	Germany	339.22	371.91	353.17	3.09	3.47	3.29	-5.03
6	Sri Lanka	327.07	343.04	334.42	2.98	3.20	3.12	-2.51
7	Pakistan	142.38	233.52	291.81	1.29	2.18	2.72	24.96
8	United Kingdom	318.76	308.59	285.89	2.90	2.88	2.66	-7.35
9	Italy	205.20	219.34	223.44	1.87	2.05	2.08	1.86
10	South Korea	202.33	203.62	214.25	1.84	1.90	1.99	5.22
11	Egypt	199.08	157.88	209.66	1.81	1.47	1.95	32.79
12	Portugal	131.27	150.73	177.07	1.19	1.40	1.65	17.47
13	Spain	123.14	126.93	140.17	1.12	1.18	1.30	10.43
14	Peru	98.53	110.82	136.59	0.89	1.03	1.27	23.25
15	France	123.21	130.78	134.83	1.12	1.22	1.25	3.09

*Source: GTIS / MOC*

### OBSERVATIONS

- ❖ As can be seen in Table XV, USA continued to be the major export destination in 2017-18 for exports of cotton textile from India with a share of 24.19% followed by Bangladesh and China with shares of 10.58% and 8.46% respectively.
- ❖ 70.02% of the total cotton textile exports accounting for USD 7.50 billion was exported to the top 15 listed countries.
- ❖ Exports to Bangladesh during fiscal year 2017-18 increased by 13.91%.
- ❖ Exports to Pakistan ranked as 7<sup>th</sup> during fiscal year 2017-18 increased by 24.96%.
- ❖ Exports to China declined by (-) 17.42% during this period.



## DIRECTION OF TRADE

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

Region	Billions United States Dollars			% Share			% Growth	% Growth
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2016-17	2017-18
World	10.96	10.70	10.71	100.00	100.00	100.00	-2.37	0.09
North America (USA /Canada)	2.59	2.75	2.71	23.63	25.70	25.27	6.17	-1.45
EU(28)	1.68	1.81	1.80	15.32	16.91	16.79	7.73	-0.55
Hong Kong / China	1.59	1.19	0.96	14.50	11.12	8.95	-25.15	-19.32
SAARC	1.52	1.63	1.82	13.86	15.23	16.97	7.23	11.65
African Zone	1.06	0.95	1.10	9.67	8.87	10.26	-10.37	15.78
Middle East	0.99	0.81	0.64	9.03	7.57	5.97	-18.18	-20.98
ASEAN	0.42	0.41	0.40	3.83	3.83	3.73	-2.38	-2.43
South America/ Mexico	0.35	0.37	0.42	3.19	3.45	3.91	5.71	13.51
CIS	0.03	0.03	0.03	0.27	0.28	0.27	0.00	0.00

*Source: GTA/MOC*

## OBSERVATIONS

- ❖ A Region-wise analysis (Table XVI) shows that North American region (USA/Canada) recorded the highest level of import of cotton textiles from India amounting to USD 2.71 billion.
- ❖ EU(28) ranked second amongst the regions with imports amounting to USD 1.80 billion commanding a share of 16.79%. Also, export to the region has decreased by (-) 0.55% in the fiscal year 2017-18.
- ❖ Hong Kong / China imports declined by (-) 19.32% amounting to USD 0.96 billion with a share of 8.95% during fiscal 2017-18.
- ❖ Imports to the SAARC region are growing in value terms since the last three fiscal years.
- ❖ India's exports of cotton textile to Middle East declined by (-) 20.98% in the fiscal year 2017-18 from USD 0.64 billion during 2016-17 to USD 0.81 billion.
- ❖ CIS Region had the lowest level of imports from India with a share of less than (-) 1%.



## LEADING MARKETS FOR COTTON TEXTILE PRODUCTS

### COTTON YARNS - (Value)

**Table XVII: Top 10 Destination for export of Cotton Yarns from India - (Value)**

Rank	Country	Million United States Dollars			% Share			% Change
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2018/2017
	World	3610.56	3352.25	3424.61	100.00	100.00	100.00	2.15
1	China	1475.49	1050.88	858.82	40.86	31.34	25.07	-18.27
2	Bangladesh	572.09	594.69	678.96	15.84	17.74	19.82	14.17
3	Pakistan	131.79	215.10	255.61	3.65	6.41	7.46	18.83
4	Egypt	164.42	133.20	172.04	4.55	3.97	5.02	29.15
5	Portugal	110.10	126.92	156.79	3.04	3.78	4.57	23.53
6	Peru	86.65	100.22	123.81	2.39	2.98	3.61	23.53
7	South Korea	107.81	109.69	113.07	2.98	3.27	3.30	3.08
8	Turkey	30.81	44.46	92.06	0.85	1.32	2.68	107.06
9	Vietnam	70.26	76.77	79.79	1.94	2.29	2.32	3.93
10	Sri Lanka	73.61	70.89	73.96	2.03	2.11	2.15	4.33

Source: GTIS / MOC

### COTTON YARNS - (Quantity)

**Table XVIII: Top 10 Destination for export of Cotton Yarns from India - (Quantity)**

Rank	Country	Million United States Dollars			% Share			% Change
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2018/2017
	World	1307.11	1203.25	1097.43	100.00	100.00	100.00	-8.79
1	China	588.58	455.03	315.37	45.02	37.81	28.73	-30.69
2	Bangladesh	194.34	192.66	207.51	14.86	16.01	18.90	7.70
3	Pakistan	40.77	66.15	79.05	3.11	5.49	7.20	19.50
4	Egypt	60.35	45.87	55.23	4.61	3.81	5.03	20.40
5	Portugal	40.54	45.32	50.22	3.10	3.76	4.57	10.81
6	Peru	32.22	36.12	40.62	2.46	3.00	3.70	12.45
7	South Korea	35.00	34.99	34.58	2.67	2.90	3.15	-1.17
8	Turkey	10.35	13.53	27.59	0.79	1.12	2.51	103.91
9	Vietnam	24.01	25.34	25.76	1.83	2.10	2.34	1.65
10	Colombia	26.83	23.61	21.33	2.05	1.96	1.94	-9.65

Source: GTIS / MOC

### OBSERVATIONS

- ❖ China continued to be the major market for Cotton Yarns in 2017-18 with a share of 25.07%. However export of cotton yarns to China declined by (-) 18.27% in value over 2016-17. Bangladesh was another important market for cotton yarns with a share of 19.82%. Pakistan, Egypt, Portugal, Peru, South Korea, Turkey, Vietnam and Sri Lanka were the other leading markets.
- ❖ Export of cotton yarns from India to the world recorded growth of 2.15% in value terms reaching a level of USD 3.42 billion in FY 2017-18. Exports to the top 10 countries amounted to USD 2.60 billion contributing a collective share of 76.02% as shown in Table XVII.





- ❖ Export to Bangladesh recorded a growth rate of 14.17% in the fiscal year 2017-18 followed by Pakistan with growth rate of 18.83%.
- ❖ Turkey recorded the highest growth rate of 107.06% in the fiscal year 2017-18.
- ❖ Egypt, Portugal, Peru, South Korea, Turkey, Vietnam and Sri Lanka recorded positive growth during this period.
- ❖ In volume terms, the world imported 1,097.43 million kilograms of cotton yarns from India during fiscal year 2017-18 as shown in Table XVIII. Exports decreased by (-) 8.79% over the previous fiscal year. Demand from Bangladesh, Pakistan, Egypt, Portugal, Peru, Turkey and Vietnam grew by 7.70%, 19.50%, 20.40%, 10.81%, 12.45%, 103.91% and 1.65% respectively.
- ❖ China continued to be the leading importer with an import level of 315.37 million kilograms. However, exports to China decreased by (-) 30.69% in volume terms.
- ❖ Exports to countries like South Korea and Colombia declined in quantity terms by (-) 1.17% and (-) 9.65% respectively. Collectively, the top ten importing countries imported cotton yarns upto a level of 857.26 million kilograms in 2017-18 accounting for 78.11% of India's cotton yarn exports to the world.

## COTTON FABRICS

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

Rank	Country	Million United States Dollars			% Share			% Change
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2018/2017
	World	2151.41	2047.91	2162.33	100.00	100.00	100.00	5.58
1	Bangladesh	408.04	392.09	444.70	18.96	19.14	20.56	13.41
2	Sri Lanka	236.21	248.62	236.54	10.97	12.14	10.93	-4.85
3	United States	115.18	128.45	153.69	5.35	6.27	7.10	19.64
4	Senegal	70.61	88.55	106.71	3.28	4.32	4.93	20.50
5	UAE	133.29	112.88	89.29	6.19	5.51	4.12	-20.89
6	South Korea	81.42	82.00	87.15	3.78	4.00	4.03	6.28
7	Sudan	54.37	58.99	61.53	2.52	2.88	2.84	4.30
8	Italy	45.66	40.99	46.30	2.12	2.00	2.14	12.95
9	Togo	79.99	42.85	42.74	3.71	2.09	1.97	-0.25
10	Nepal	43.05	45.08	40.13	2.00	2.20	1.85	-10.98

Source: GTIS / MOC

## OBSERVATIONS

- ❖ Bangladesh was the leading market for cotton fabrics during 2017-18 with a share of 20.56%, followed by Sri Lanka and USA with shares of 10.93% and 7.10% respectively. However in the same period the demand for Indian cotton fabrics has increased in USA with exports growing by 19.64% followed by Senegal with growth of 20.50% respectively.
- ❖ Countries like South Korea, Sudan and Italy showed an increase in exports. These countries grew by 6.28%, 4.30%, and 12.95% respectively.
- ❖ Export to the top ten importing countries was USD 1.30 billion in 2017-18 accounting for a collective share of 60.18% 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
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2018/2017
	World	5196.26	5295.92	5128.46	100.00	100.00	100.00	-3.16
1	United States	2352.81	2481.35	2423.19	45.27	46.85	47.24	-2.34
2	UAE	483.92	405.58	275.25	9.31	7.65	5.36	-32.13
3	Germany	263.34	284.69	266.33	5.06	5.37	5.19	-6.44
4	United Kingdom	285.50	277.27	256.48	5.49	5.23	5.00	-7.49
5	Australia	120.90	131.47	127.07	2.32	2.48	2.47	-3.34
6	France	111.31	120.39	123.85	2.14	2.27	2.41	2.87
7	Italy	108.23	124.17	122.32	2.08	2.34	2.38	-1.48
8	Canada	102.80	115.52	112.70	1.97	2.18	2.19	-2.44
9	Spain	90.78	90.29	105.29	1.74	1.70	2.05	16.61
10	Saudi Arabia	55.21	98.83	80.66	1.06	1.86	1.57	-18.38

Source: GTIS / MOC

### OBSERVATIONS

- ❖ USA continued to be the leading market for Cotton Made-ups in 2017-18 with a share of 47.24%. UAE, Germany, U.K, Australia, France, Italy, Canada, Spain and Saudi Arabia were other leading markets.
- ❖ Export of Indian cotton made-ups to UAE has declined by (-) 32.13% from USD 405.58 million in the year 2016-17 to USD 275.25 million in the year 2017-18.
- ❖ Export to France and Spain grew by 2.87% and 16.61% respectively. However, export to Germany, UK, Australia, Italy, Canada and Saudi Arabia declined as shown in Table XX.



## ACTIVITIES UNDERTAKEN BY THE COUNCIL FOR THE YEAR 2017-2018

The Council participated in the following international trade fairs and exhibitions in the fiscal year 2017-18

### TRADE FAIRS/EXHIBITIONS

- Techtexsil 2017 (9-12 May 2017)
- Textiles India 2017, Gandhinagar, Gujarat (30 June-2 July 2017)
- Irantex 2017, Tehran, Iran (4-7 September, 2017)
- Texworld and Apparel Sourcing Show, Paris, France (18-21 September, 2017)
- Yarn Expo & Intertextile Shanghai Apparel Fabrics, Shanghai, China (11-13 October, 2017)
- Intex South Asia 2017 Colombo, Sri Lanka (15-17 November 2017)
- 17<sup>th</sup> Vietnam Int'l Textile & Garment Industry (VTG) Exhibition, Ho Chi Minh City, Vietnam (22-25 November, 2017)
- Heimtextil 2018 Fair, Frankfurt, Germany, (9-12 January, 2018)
- Colombiatex, Medellin City, Colombia (23-25 January, 2018)
- Premiere Vision, Paris (13-15 February, 2018)
- Preview In Daegu 2018, Daegu, South Korea (7-9 March, 2018)
- 61<sup>st</sup> Cairo Fashion & Tex Fair, Cairo, Egypt (8-10 March, 2018)

### SEMINARS AND WORKSHOPS

- Interactive meeting on GST, Mumbai (3 April 2017)
- Seminar on “IKEA business model, strategies, compliance and opportunities for textile suppliers across various categories”, Mumbai (5 May, 2017)
- Seminar on “IKEA business model, strategies, compliance and opportunities for textile suppliers across various categories”, Coimbatore (6 May, 2017)
- Presentation on “Opportunities for Indian Cotton Textiles Exports” in Bellary, Karnataka (27 May, 2017)
- Road Show on Textiles India 2017, Hyderabad (5 June, 2017)
- Road Show on Textiles India 2017, Jaipur (7 June, 2017)
- GST Training Programme, Delhi (9 June, 2017)
- GST Training Programme, Mumbai (12 June, 2017)
- GST Training Programme, Coimbatore (19 July, 2017)
- GST Training Programme, Chennai (28 July, 2017)
- Session on Textile Exports & Imports under the Foreign Trade Policy 2015-20 and GST, Coimbatore (22 December, 2017)
- Session on Textile Exports & Imports under the Foreign Trade Policy 2015-20 and GST, Madurai (9 February, 2018)
- Session on GST, Mumbai (13 March, 2018)



## TRADE FAIRS / EXHIBITIONS

### TECHTEXTIL 2017 (9-12 MAY 2017)

The Council had participated in Techtextil 2017 held in Frankfurt, Germany from May 9-12, 2017. Techtextil, Frankfurt is a leading international trade fair for technical textiles and nonwovens. The event, which takes place once in two years, brings together exhibitors & buyers of a comprehensive range of Technical Textiles & Non-Wovens, covering 12 major application areas (Agrotech, Hometech, Oekotech, Buildtech, Indutech, Packtech, Clothtech, Meditech, Protech, Geotech, Mobiltech and Sporttech). The Council had a booth of 12 sq.mtrs which served as an information centre and samples of technical textiles products were also displayed at the booth. A large number of buyers both from Germany and other countries including US, Russia, Brazil, China etc visited the Council's booth. The enquiries for technical textile products received at the Council's booth have been disseminated to all the members.

### TEXTILES INDIA 2017, GANDHINAGAR, GUJARAT (30 JUNE-2 JULY 2017)

With the objective of promoting the textile and clothing sector, the Ministry of Textiles with the support of Ministry of Commerce, Government of India and in association with all textile Export Promotion Councils organised a mega international event "Textiles India - 2017" from 30<sup>th</sup> June to 2<sup>nd</sup> July 2017 at Helipad Exhibition Centre, Gandhinagar, Ahmedabad, Gujarat.

The show established India as a global sourcing and investment destination and was inaugurated by the Hon'ble Prime Minister of India, Shri Narendra Modi. The mega exhibition showcased India's strength in the entire gamut of textile and apparel value chain, from farm to fibre to fabric to fashion. The aim was to bring global and Indian leaders together on one platform to discuss, network and transact business.



### TEXPROCIL @ Roadshow on Textile India Fair 2018

Textile India 2018 Roadshow in Jaipur on June 7, 2017 saw the august presence of Shri Ajay Tamta, Hon'ble Union Minister of State for Textiles (Centre) as the Chief Guest. Seen in pic. Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL (extreme Right) addressing the audience.



The exhibition was held at the Helipad Exhibition Centre near Mahatma Mandir, Gandhinagar. With over 10 halls allotted to various EPCs, the exhibitors were allocated halls as per the products under their Council's purview. Texprocil and PDEXCIL along with its members were located in Hall 8 (Cotton Section). A total of 75 exhibitors registered through the Council over an area of 1750 sq mts.

Under the visitor promotion campaign, Texprocil facilitated the visit of 37 importers to the event comprising buyers from 12 countries including Colombia, South Korea, Japan, China, Vietnam, Thailand, Iran, Kenya, Poland, Cambodia, Spain and United Kingdom. The Council also organised 2 Round Tables and assisted in organising additional Round Tables, where the lead organisers were AEPC and PDEXCIL.

Further at the MoU signing ceremony during the event, Texprocil signed MoUs with: China Cotton Textile Association; China Chamber of Commerce for Import and Export of Textiles; and Indo – Polish Chamber of Commerce. In addition to MoUs signed by the Council, one of the members, Vardhman Textiles Ltd. also signed MoUs with three of their customers from Japan for sourcing yarn / fabric worth US\$ 20 million per year from them over a period of next three years.

The Council also facilitated visit of a 11 member delegation from China under the leadership of Ms. Zhu Bei Na, Chairperson, China Cotton Textile Association (CCTA) to meet with the Indian cotton textile manufacturers. Further, the visit of a four member delegation from Vietnam to the fair led by Mr. Tran Thu Huong, Principal Official - Light Industry Department was also facilitated by the Council.

On the sidelines of Textiles India 2017, the Ministry of Textiles in association with CII and TEXPROCIL organised a Country Session on Korea on June 30, 2017. The session which was presided by Shri Anant Kumar Singh, Secretary, Ministry of Textiles was attended by a High Level delegation of KOFOTI (Korea Federation of Textiles Industries) led by the Chairman, Mr. Kihak Sung as well as a delegation from Daegu.

Overall, this event provided a good start for domestic as well as export business and is seen as a first step towards consolidating this Show as a relevant and significant textile event in India.



#### TEXPROCIL @

#### Textile India Fair 2017

Textile India 2017 was held in Gujarat from June 30<sup>th</sup> to July 2<sup>nd</sup> 2017. Seen in pic. the Vietnamese delegation visiting the Council's information booth to meet the Council's officials - Shri Ujwal Lahoti, Chairman (4<sup>th</sup> from Right), Dr. K. V. Srinivasan, Vice Chairman (3<sup>rd</sup> from Right) & Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL.

### IRANTEX 2017, TEHRAN, IRAN (4-7 SEPTEMBER, 2017)

The Council organized participation of its members at IRANTEX 2017 held in Tehran, Iran from 4-7 September 2017. 6 members of the Council participated in the exhibition. The Council organised the event on a self-financing basis without availing MAI/MDA grant from the Government. IRANTEX - a textiles exhibition that has gained reputation in its 23<sup>rd</sup> edition and was held at the Tehran International Permanent Fair Ground.

The Council also had a booth at the fair which served as an information centre. The Council's booth attracted many buyers and representatives from various textiles associations from Iran and other countries. The booth received many enquiries from buyers of yarn, fabrics, home textiles and technical textiles. These enquiries were duly compiled and disseminated to the members.

Shri Vinay Kumar, Counsellor, Indian Embassy in Iran visited the exhibition and interacted with all the Indian companies. On the sidelines of IRANTEX 2017, the Council had meetings with the Ministry of Industry, Mines & Trade, Iran and the Association of Iran Textile Industries. The steps that can be taken in future to promote trade and investments between India and Iran were discussed in these meetings.

### TEXWORLD AND APPAREL SOURCING SHOW, PARIS, FRANCE (18-21 SEPTEMBER, 2017)

The Council organized a group participation of Indian exporters of Fabrics and Accessories at TEXWORLD Fair, held at Paris from 18 to 21 September 2017. This initiative was supported by the Embassy of India in France, Ministry of Textiles and Ministry of Commerce by granting MAI funds. The Fair is a combined event of TEXWORLD & Apparel Sourcing Fairs, spread over 2 Halls. There were 103 exhibitors from India, of which, 28 participated through the Council.

Shri. Ujwal Lahoti, Chairman and Shri. N. Ravindranathan, Director met Shri Vinay Kwatra, Ambassador of India to France at his office on 18<sup>th</sup> September 2017 and apprised him about various initiatives undertaken by the Council in promoting export of textiles in the EU region and in particular to France. Ambassador was keen that the Council should take initiatives in promoting exports of value added textiles to France and focus on branding Indian textiles so as to highlight the advantages of Indian products. He also suggested that Indian companies should come forward to tie up with French textile manufacturers to enter into high value high quality processed fabrics market.



#### TEXPROCIL @ Texworld September 2017, Paris

TEXWORLD Fair, was held in Paris from 18 to 21 September 2017. Seen in pic. Shri Ujwal Lahoti, Chairman (Right) greeting H.E. Shri Vinay Kwatra (Left), Ambassador of India to France at his office on 18<sup>th</sup> September 2017. Hon'ble Ambassador and Chairman discussed means to promote export of textiles in the EU region.



According to the feedback received from Indian exhibitors, there is an increasing demand for organic textiles, demand is more for value added niche products, such as high quality hand embroidered fabrics, natural fibre fabrics, such as hemp, flax blended with cotton etc. This Fair attracts serious buyers of fashion fabrics, denims & apparel accessories and hence it is important to maintain continuity in participation.

**YARN EXPO & INTERTEXTILE SHANGHAI APPAREL FABRICS, SHANGHAI, CHINA (11-13 OCTOBER, 2017)**

The Council organized a group participation of Members at Intertextile Shanghai Apparel Fabrics & Yarn Expo Fair, Shanghai, China from 11 to 13 October, 2017. 39 Companies exhibited at India Pavilion at 'Yarn Expo' and 11 exhibitors at India Pavilion in 'Intertextile Apparel Fabrics fair', held concurrently at different Halls in the National Exhibition and Convention Center (Shanghai), China. This was one of the events supported by the Ministry of Commerce with support under MAI scheme.

Mr. Ujwal Lahoti, Chairman, Dr Siddhartha Rajagopal, Executive Director, Mr N. Ravindranathan, Director & Mr Sanjay Rane, Joint Director met with Shri. Prashant Lokhande, Counsellor (Economic & Commerce) & Ms Sukanya, Second Secretary (E & C), Embassy of India, Beijing on 9<sup>th</sup> October, 2017 and discussed need to address tariff issues on textile import from India to China in order to bridge the widening trade deficit which is heavily in favour of China.

The Indian delegation also met Mr. Cao Jiachang, Chairman and senior officers of China Chamber of Commerce or Import and Export of Textiles and Apparel (CCCT) on 9<sup>th</sup> October, 2017 at their office to discuss possibility of enhancing mutual cooperation in the light of the recently signed MoU during Textiles India program at Ahmedabad.



**TEXPROCIL @ Yarn Expo, October 2017, Shanghai**

(Left to Right) Dr. Siddhartha Rajagopal, Executive Director, Mr K. V Srinivasan, Vice Chairman, Mr. Ujwal Lahoti, Chairman (extreme Right), along with Shri. Naveen Kumar, Consul (Commercial), Indian Consulate during his visit to India Pavilion at Yarn Expo, October 2017.



## INTEX SOUTH ASIA 2017 COLOMBO, SRI LANKA (15-17 NOVEMBER 2017)

Considering the fact that South Asia has emerged as a power house for textile and apparel manufacturing in the world and has the added advantage of a large and lucrative domestic market, TEXPROCIL organized an India Pavilion in the third edition of Intex South Asia 2017 held from 15<sup>th</sup> - 17<sup>th</sup> November 2017 at Sri Lanka Exhibition Convention Centre (SLECC), Colombo, Sri Lanka.

A total of 67 Indian companies participated at Intex South Asia 2017 comprising 24 members of the Council. TEXPROCIL set-up an information counter in the booth offered by the organisers, at the zone contiguous with Indian participants. The fair was inaugurated by Sri Lankan Prime Minister, Mr. Ranil Wikremesinghe in the august presence of Mr. Rishad Baithudeen, Minister of Commerce and Industry of Sri Lanka and Mr. Sujeewa Senasinghe, State minister for Developmental Strategies and International Trade of Sri Lanka along with the group of VIP delegates from various countries including H. E. Mr. Taranjit Sandhu, High Commissioner, High Commission of India - Colombo, Sri Lanka and Mr. Ujwal Lahoti, Chairman, TEXPROCIL.

The 2017 edition of the fair presented for the first time, a 'Fashion Fiesta' the exclusive networking reception and fashion show for the exhibitors, buyers, foreign delegates, trade bodies and heads of missions to interact with each other on the evening of the first day of the show. The following day, Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL made a presentation on the subject 'Increasing Intra-regional Trade through Enhanced Regional Cooperation in South Asia' at the Interactive Business Forum organised during the fair, which was well received.



### TEXPROCIL @ Intex South Asia, November, 2017, Colombo

Sri Lankan Prime Minister, Mr. Ranil Wikremesinghe (6<sup>th</sup> from left) along with Mr. Rishad Baithudeen, Minister of Commerce & Industry of Sri Lanka (5<sup>th</sup> from Left) inaugurates 'Intex Fair 2017' in presence of VIP delegates including H. E. Mr. Taranjit Sandhu, Indian High Commissioner, (4<sup>th</sup> from Left) HCl, Colombo, Sri Lanka and TEXPROCIL officials Mr. Ujwal Lahoti, Chairman (2<sup>nd</sup> from Left) & Dr. Siddhartha Rajagopal, Executive Director (extreme Left).





## 17<sup>TH</sup> VIETNAM INT'L TEXTILE & GARMENT INDUSTRY (VTG) EXHIBITION, HO CHI MINH CITY, VIETNAM (22-25 NOVEMBER, 2017)

In view of the emerging opportunities for yarns and fabrics in Vietnam and to maintain and consolidate India's presence in the Vietnamese market, the Council participated in the Vietnam International Textiles & Garment (VTG) Industry exhibition held in Ho Chi Minh City, Vietnam from 22<sup>nd</sup> to 25<sup>th</sup> November, 2017. Vietnam has established itself as one of the important garment making nations in the world and the Council was participating in this fair for the fourth consecutive year. The India pavilion comprised 10 companies and the event was inaugurated by the newly appointed Consul General of India to Ho Chi Minh City, Dr. K. Srikar Reddy along with other dignitaries from the Vietnamese textile industry.

The Council received about 60 enquiries at its stall for cotton yarn and cotton & blended fabrics and these were distributed to trade. The visitors were from Vietnam, Korea, Japan and Thailand among others.



### TEXPROCIL @ VTG November 2017, Ho Chi Minh City, Vietnam

Vietnam has established itself as one of the important garment making nations in the world. The Vietnam Int'l Textiles & Garment (VTG) Industry exhibition held in Ho Chi Minh City, Vietnam from 22<sup>nd</sup> to 25<sup>th</sup> November, 2017 was inaugurated by the newly appointed Consul General of India to Ho Chi Minh City, Dr. K. Srikar Reddy (4<sup>th</sup> from Right) along with other dignitaries from the Vietnamese textile industry.

## HEIMTEXTIL 2018 FAIR, FRANKFURT, GERMANY, (9-12 JANUARY, 2018)

Realizing the tremendous potential in Textiles and Clothing trade offered by Germany which is also a leading market for Indian Home Textiles in the EU, the Council organized the 'Brand India' Pavilion at the Heimtextil Fair 2018 held in Frankfurt, Germany from January 9 - 12, 2018 in Hall no. 10.2 at the Messe Frankfurt Exhibition Grounds.

A high level delegation under the leadership of Smt Smriti Zubin Irani, Hon'ble Minister of Textiles, Government of India visited the fair, to gain first-hand experience of the international event and also led focussed promotions of 'Incredible Textiles of India' at the fair.

The heads of the Indian Textile Councils held a joint Inauguration of 'India Pavilion' at Hall 10.2, Stand B05 set up by TEXPROCIL at the hands of Smt Smriti Zubin Irani, Hon'ble Minister of Textiles in the august presence of Smt Pratibha Parkar, Consul General of India in Frankfurt along with Mr. Ujwal Lahoti, Chairman, TEXPROCIL (Supporting Council) and the Executive heads of other Councils viz. HEPC and EPCH participating at the fair.

In the course of two days at the fair, the delegates had an extensive schedule of meetings including those with the Fair Authorities, International importers, and interactions with international Press and Media and the participating Indian companies.

The fair saw around 396 Indian participants both through Messe Frankfurt India and directly through Messe Frankfurt Germany. These included more than 75 TEXPROCIL member participants. The Council's booth saw a steady stream of trade visitors.



### TEXPROCIL @ Heimtextil, January 2018, Frankfurt

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles inaugurating 'India Pavilion' set up by TEXPROCIL in the august presence of Smt. Pratibha Parkar, Consul General of India in Frankfurt, Mr. Ujwal Lahoti, Chairman, TEXPROCIL and the Executive heads of other participating Councils viz. HEPC and EPCH along with many other leading member exporters of Home Textiles.



## COLOMBIATEX, MEDELLIN CITY, COLOMBIA (23-25 JANUARY, 2018)

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

Approximately 18,500 visitors from all over Colombia and other Latin American countries attended the three day event. 43 Indian exporters participated at this edition of the Fair showcasing cotton and synthetic yarns, shirting fabrics, suiting, denim, grey fabrics, knits, prints etc. This is one of the MAI events supported by the Ministry of Textiles, Ministry of Commerce and the Embassy of India in Colombia.

Focused and targeted branding efforts were undertaken with MoT approved tag line “Incredible Textile of India” at each of the stands of Indian exhibitors and banners at strategic points at the Venue.

H.E. Shri Ravi Bangar, Ambassador of India to Colombia visited the Fair and interacted with each of the Indian exhibitors and discussed concerted strategy to be adopted by the Indian exhibitors in increasing their export to LAC region and in particular to Colombia. During the discussions with the Organisers of the Fair, he made a request to consider more space allocation for India pavilion in the forthcoming editions and also to undertake value added services, such as, B2B business matchmaking program exclusively for the Indian exhibitors.

A large number of Colombian Press /Media personnel interacted with H. E. Shri Ravi Bangar, Ambassador of India to Colombia who clarified various issues including the strengths of Indian Textile sector, importance of LAC market and in particular Colombian market for Indian textile suppliers, opportunities for mutual business prospects etc. He also emphasized on the advantages in exploring Indian market for the Colombian companies.



### TEXPROCIL @ Colombiatex, January 2018, Colombia

H.E. Shri Ravi Bangar, (2<sup>nd</sup> from Left) Ambassador of India to Colombia being greeted by Shri N Ravindranathan (extreme Left) during his visit to the Fair. H.E. Shri Bangar interacted with each of the Indian exhibitors and discussed concerted strategies to be adopted by the Indian exhibitors in increasing their export to LAC region and in particular to Colombia.



As per feedback from Indian exhibitors, there was an increase in overall trade enquiries over the previous years; more number of small quantity buyers of denim fabrics have shown keen interest to source from India; large volume importers were keen to reduce their dependence on China and start sourcing more from Indian suppliers; some of the Indian exhibitors were able to book orders on the spot with top three importers of shirting fabrics in Colombia; there is an increasing demand for cotton yarn for knitting and weaving in Colombia and Peru.

**PREMIERE VISION, PARIS (13-15 FEBRUARY, 2018)**

Premiere Vision Paris (PV Paris) is a prestigious event for promoting branded textiles, held in Paris twice a year (every September and February). Organisers of the Fair follow stringent screening process in admitting exhibitors in this high volume, quality conscious business event. With the active support of the Indian Embassy in France, the Council went through the screening process and was admitted to exhibit at the February 2018 edition of Premier Vision Fair held at Paris from 13 to 15 February 2018.

Visitors to the Council’s stand were keen to source, Organic cotton textiles; Organic cotton / ahimsa silk blended yarn and fabrics; Shawls and Stoles of cotton / silk / wool blends; Organic prints for ladies wear; Wider width cotton fabrics; Fancy yarns of various blends and effects.

A total of 30 Indian exhibitors were admitted to exhibit at the February 2018 edition and it is likely that more number of Indian exhibitors will get accepted after going through the rigorous screening process in the next edition to be held in September 2018.



**TEXPROCIL @ Premiere Vision, February 2018, Paris**

A visitor to the Council’s stand being provided with sourcing details by the Council Officials. Buyers visiting Council’s stall were keen to source various textile items including cotton and cotton blends, silk and wool blends.



### PREVIEW IN DAEGU 2018, DAEGU, SOUTH KOREA (7-9 MARCH, 2018)

The Council participated in the textiles exhibition “Preview in Daegu 2018” held in South Korea from March 7-9, 2018. 10 Indian Companies participated in this fair through the Council. The objective of participating in the fair was to capitalize on the Indo-Korea FTA, under which there is zero duty on import of fabrics, made ups, home textiles and garments into South Korea from India, thereby offering greater market access for Indian textiles into the South Korean market.

Preview in Daegu, an established trade fair which takes place every year, covers textiles (including yarn), home textiles, fabrics and Garments. Ms. Nayantara, Second Secretary, Indian Embassy in Seoul visited the fair on the first day and interacted with all the Indian Companies and shared information regarding the consumer preferences in South Korea. All the Indian Companies expressed satisfaction and reported having established good contacts.

On the sidelines of the exhibition, a delegation of exporters lead by the Chairman, Ujwal Lahoti visited the Home Textiles market in Daegu to understand the requirement of the South Korean buyer. The Council also held meetings with leading Chamber of Commerce / Associations such as Daegu Gyeongbuk Textile Industries Association (DGTIA), Daegu-Gyeongbuk Bedding Cooperative, Korea Textile Development Institute (KTDI), Korean Federation of Textile Industries (KOFOTI), Daegu Metropolitan City Investment & Trade Division and Korean Dyeing & Finishing Technology Institute (DYETEC) and discussed the specific requirements of the South Korean market for textiles.



**TEXPROCIL @ Preview in Daegu, March 2018, South Korea**

Seen in pic. Ms. Nayantara, (Centre) Second Secretary, Indian Embassy in Seoul interacting with Shri Ujwal Lahoti, Chairman (6<sup>th</sup> from Right) and other TEXPROCIL participants during her visit to the fair on March 07, 2018.



### 61<sup>ST</sup> CAIRO FASHION & TEX FAIR, CAIRO, EGYPT (8-10 MARCH, 2018)

A delegation from the Cotton Textiles Export Promotion Council of India (TEXPROCIL) comprising 23 Indian textile companies participated in the India pavilion at the 61<sup>st</sup> edition of the International Fashion & Textile Exhibition “Cairo Fashion & Tex” held at Cairo International Conference Centre from 8<sup>th</sup> to 10<sup>th</sup> March, 2018. The Council participated in this exhibition under the MAI Scheme and the three-day event provided a platform for the Indian businessmen to interact with Egyptian visitors, showcase their products and explore business opportunities. The Texprocil stall received enquiries for yarns and fabrics which was 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. Sanjoy Bhattacharyya and the event generated good leads for the exhibitors.



#### TEXPROCIL @ Cairo Fashion & Tex, March 2018, Egypt

The India pavilion being inaugurated by the Ambassador of India to Egypt H.E. Mr. Sanjoy Bhattacharyya (Centre) during the Council's participation at the 61<sup>st</sup> edition of the International Fashion & Textile Exhibition “Cairo Fashion & Tex” held at Cairo International Conference Centre from 8<sup>th</sup> to 10<sup>th</sup> March, 2018.



## SEMINARS/TRAINING PROGRAMMES

With a view to educate its members, during the year, the Council conducted various seminars and training programmes. Many training programmes were organized on the topic of GST. Details of the Seminars / Training programmes are as follows:

- An Interactive meeting on GST was held in the conference room of the Council on 3.4.2017. Presentations on GST were made by Mr. Neelesh Hundekari and Shri Siddharth Jain of AT Kearney.
- The Council in association with IKEA organized a seminar on “IKEA business model, strategies, compliance and opportunities for textile suppliers across various categories” on 5/5/2017 at the auditorium of the Council’s Head office in Mumbai.
- The Council in association with IKEA organized a seminar on “IKEA business model, strategies, compliance and opportunities for textile suppliers across various categories” on 6/5/2017 at Board Room of SIMA, Coimbatore.
- The Council made a presentation on “Opportunities for Indian Cotton Textiles Exports” at a programme organized in Bellary, Karnataka by the Bellary Chamber of Commerce on 27/5/2017.
- The Council participated in a “Road Show on Textiles India 2017” held in Hyderabad on 5/6/2017 which was chaired by Smt. Pushpa Subrahmanyam, Additional Secretary, Ministry of Textiles, Government of India .
- The Council participated in the “Road Show on Textiles India 2017” held in Jaipur on 7/6/2017 which was chaired by Shri Ajay Tamta, Hon’ble Minister of State for Textiles.
- The Council organized a GST Training Programme in Delhi on 9/6/2017. Experts from Lakshmikumaran & Sridharan conducted the training programme.
- The Council organized a GST Training Programme in Mumbai at Century Bhawan on 12/6/2017. Experts from Ernst & Young conducted the training programme.
- The Council organised a GST Training Programme in association with SIMA in Coimbatore on 19/7/2017.
- The Council organised a GST Training Programme in association with HEPC in Chennai on 28/7/2017.
- The Council conducted a “Session on Textiles Exports & Imports under the Foreign Trade Policy 2015-20 and GST” organized by SIMA in Coimbatore on 22.12.2017.
- The Council conducted a “Session on Textiles Exports & Imports under the Foreign Trade Policy 2015-20 and GST” organized by SIMA in Madurai on 9/2/2018.
- The Council organised a “Session on GST” at its auditorium in Mumbai on 13.3.2018. Shri M.P.S. Sengar, Assistant Commissioner (Retd.), GST & C. Ex. Mumbai Zone conducted the Session.



## EXPORT SERVICES ACTIVITIES

### GOVERNMENT POLICY RULES & REGULATIONS

Competition in the export markets for Cotton textile products are intensifying day by day. Scenario in the World markets are changing rapidly. Competing nations are posing a severe challenge to the exports of Cotton textiles from India. Exporters have to deal with differential import duties for their products in leading markets as compared to products from their competitors. In addition, there are internal factors such as volatility in cotton prices both domestic and international, high interest rates and other transaction costs that aggravate the situation for the exporters.

It is in this context that it has become extremely important and indeed a necessity for exporters of Cotton textile to maintain the competitiveness of their products to survive and sustain export growth. Towards this end, 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 play a crucial role in the export of Cotton textiles. Recognizing this fact, the Council took the primary responsibility of facilitating the creation of an enabling environment and infrastructure for accelerated growth of exports of cotton textiles. The core functions in this regard included providing inputs/suggestions to the Government for formulation and implementation of appropriate trade and commercial policies for increasing exports of cotton textiles.

### INTERACTION WITH VARIOUS MINISTRIES

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

The Council made several representations to the Government on various issues affecting the exporters based on the feedback received from them. Most of the recommendations made by the Council were accepted and implemented by the Government. For instance, the Council had recommended to the Government for an increase in the MEIS rates for export of Cotton Made ups which was accepted and the rates were increased from 2% to 4% and 5% to 7%. Likewise, the ROSL rates for Cotton Made ups were increased from 0.39% to 2.2% based on the data provided by the Council to the Department of Revenue. The pre-GST ROSL rates for Cotton Made ups were also continued till September 30, 2018 based on the Council's representation. Many of the procedural issues were also resolved based on the Council's suggestions.

However, there are still some areas which remain unresolved despite persistent representations to the Government by the Council. A decision is yet to be taken by the Government on the Council's repeated representations to cover exports of Cotton Yarn under the MEIS and the 3% Interest Equalization Scheme. The Council's representations to include Cotton Yarns, Fabrics and "Quilts" & "Shopping Bags" (covered under Chapter 94 of the ITC (HS) classification) under the ROSL Scheme also remain pending. The proposal to extend the benefit of 3% Interest Equalization scheme to merchant exporters is yet to be accepted by the Government. Despite several representations, some of the exporters continue to face problems with regard to the uploading of shipping bill details on the Export Data Processing and Monitoring System (EDPMS) system of RBI.

### FOREIGN TRADE POLICY / UNION BUDGET PROPOSALS

The Council made an in-depth analysis of the various provisions of the Foreign Trade Policy & Procedures and based on such analysis and feedback from member-exporters, various issues were taken up with the Director General of Foreign Trade, Ministry of Commerce, with a view to make the Foreign Trade Policy (FTP) operationally - smooth, result-oriented and exporter-friendly. During the year, the Council had sent several suggestions on the FTP to the Ministry of Commerce & Industry for the Mid-Term Review of the FTP 2015-20.





The Council also sent its proposals on the Union Budget. Further, amendments in Duty Drawback rates, Customs and Central Excise Rules & Regulations were constantly monitored and the implications of such changes were analysed and corrective measures suggested.

## DUTY DRAWBACK SCHEME

Majority of the members of the Council operate under the Duty Drawback Scheme. The Council took all necessary steps to ensure that the Duty Drawback rates for cotton textile are fair and justified. During the year, the Council collected data from member-exporters and submitted detailed proposals for an increase in the Duty Drawback rates for Cotton Textile.

The Council made a presentation on Drawback Proposals for Cotton textile products under GST regime before the Drawback Committee consisting of Shri G.K. Pillai, Shri Gautam Ray and Shri Y.G. Parande in Mumbai on 27/4/2017. Shri Dinesh Kumar Gupta (Director Drawback) was also present in the meeting.

The Council also arranged factory visits for the members of the Drawback Committee in Ahmedabad from 29.10.2017 to 31.10.2017. The members accompanied by Sri Anand Jha, Under Secretary, Drawback visited companies like M/s. Arvind Ltd, M/s Shree Balakrishna Textiles and M/s Uma Ginning.

## WTO COMPATIBLE EXPORT PROMOTION SCHEMES

The Government is in the process of reviewing the existing export promotion schemes for textile & clothing sector in terms of WTO Rules and sought suggestions from the Council in this regard. The Council sent its views to the Government. The Council has highlighted the need to continue with export benefits for the textile and clothing sector.

## GOODS & SERVICES TAX (GST)

### (i) Suggestions / Representations on GST

During the year, the land mark Indirect Taxation regime GST was implemented from July 1, 2017. The Council played an important role by providing suggestions on the various draft provisions in the Model GST Laws before GST was implemented. After its implementation, the Council sent various representations to the Government regarding the procedural issues faced by the exporters under GST.

The Council interacted extensively with the GST Policy Wing in the Central Board of Indirect Taxes (CBIC) and GSTN. The Council had taken up various issues faced by the exporters while operating under GST with these bodies.

Following suggestions on GST made by the Council were accepted and implemented by the Government:

Sr. No.	Council's Suggestions on GST	Status
1	To Put the entire Cotton Textiles value chain under 5% GST rate.	Cotton textile products such as Yarns, Fabrics and Made ups (upto a value of Rs.1000 per piece) has been placed under 5% GST rate.
2	To reduce GST rate on job work from 18% to 5% for Cotton textile products.	GST rate reduced from 18% to 5%.
3	To allow pre-GST All Industry Rates of Duty Drawback rates for Cotton textiles products as a transitional arrangement beyond July 1, 2017.	Pre-GST rates of All Industry Rates of Duty Drawback continued from July 1, 2017 to September 30, 2018.
4	To allow Pre-GST ROSL (Rebate of State Levies) on exports of Cotton Made ups as a transitional arrangement beyond July 1, 2017.	Pre-GST ROSL rates continued from July 1, 2017 to September 30, 2017.



Sr. No.	Council's Suggestions on GST	Status
5	To allow procurement of export goods by the merchant exporters from the manufacturers at Nil rate of GST.	Manufacturers allowed to supply export goods to merchant exporters at 0.10% GST.
6	To dispense with the condition of "No Refund of Accumulated Input Tax Credit (ITC) in the case of fabrics".	Refund of Accumulated ITC allowed in the case of export of fabrics.
7	To put in place a system of communicating errors/ mismatches in the GSTR-1 and Shipping Bills to the exporters.	A system has been put in place on the ICEGATE website to communicate mismatches in the export details furnished in GSTR-1 and on the relevant Shipping Bills.

The Council also sought a clarification from the GST Policy Wing in the Ministry of Finance as to whether the GST rate of 0.10% on the supplies of export goods by manufacturers to the merchant exporters vide Notification No.41/2017 dated 23/10/2017 is optional or mandatory so that the confusion and ambiguity prevailing among the trade and exporters are removed. On the Council's request, the GST Policy Wing clarified that the facility of GST rate of 0.10% is optional.

## (ii) Advisory Role

The Council played an important role in hand holding its members in adapting to this new taxation regime. The Council provided the necessary guidance to the exporters regarding the GST Laws and Procedures especially with regard to filing of Monthly Returns (GSTR-1 and GSTR-3B) and Refund of IGST on exports and Un-utilized Input Tax Credit (ITC) on exports under LUT / Bond. All the important Notifications / Circulars issued by the Government from time to time were disseminated among its members by the Council.

## GRIEVANCES OF EXPORTERS / PROCEDURAL PROBLEMS/ TRADE FACILITATION SERVICES

Availability of the right information at the right time plays a key role towards the success in exports. Recognizing this important fact, the Council has put in place a system to provide authenticated information and support services to member-exporters at the right time. All important and relevant Notifications and Circulars on various issues were systematically disseminated by the Council to its members. With regard to the GST, the Council had kept its members informed of all the relevant changes with regard to the procedures & documentations to be followed related to exports.

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

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

The Council has also put in place a system to deal with various queries from member-exporters on Policy & Procedural issues wherein clarifications are issued without delays.

## REPRESENTATIONS TO THE GOVERNMENT

The Council made several representations to the Government at various levels on issues related to export of Cotton textiles. These representations were based on suggestions received from the members of the



Council. Further, the issues were taken up mainly with the Ministry of Textiles, Ministry of Commerce & Industry, Ministry of Finance, CBIC and the office of the DGFT. Some of the representations were addressed directly to Smt. Smriti Zubin Irani, Hon'ble Union Textiles Minister, Shri Arun Jaitley, Hon'ble Union Finance Minister and Shri Suresh Prabhu, Hon'ble Union Commerce & Industry Minister.

### REPRESENTATIONS ON MAJOR ISSUES

During the year 2017-18, some of the issues on which the Council had sent representations to the Government are as follows:

- To increase in Duty Credit Scrips entitlement for export of Made ups under Chapter 63 to the EU from 2% to 5% under the MEIS.
- To extend the benefits of the MEIS and 3% Interest Equalization Scheme to export of Cotton yarns.
- To address the problems faced by the exporters under the EDPMS (Export Data Processing and Monitoring System) of RBI on account of failure of banks to update the shipping bills on the EDPMS.
- To extend the last date for updation beyond April 20, 2017 so that exporter's names does not appear on the RBI caution list for no fault on their part.
- To continue with the Duty Drawback Scheme under the GST regime.
- To cover Cotton Yarns and Fabrics under the ROSL.
- To fix suitable Drawback rates under the GST regime for Cotton Yarns, Fabrics and Made-ups.
- To put the entire value chain of Cotton Textiles under 5% GST rate.
- To retain the existing ROSL rates for Made-ups under the GST regime.
- To reduce the GST rate for job works in the Made-ups/Garment sector from 18% to 5%.
- To fix GST rate of 5% for all fabrics covered under Chapter 58 at par with other fabrics.
- To allow transitional provision for the drawback scheme so that the existing drawback rates are continued along with the GST rates at least for a period of 6 months.
- To allow procurement of export goods without payment of GST against Bond/LUT executed by the Merchant exporters.
- To allow transitional provision for existing rates of ROSL for Made-ups till September 30, 2017.
- To increase ROSL rates for Made-ups under the GST regime and enhance funds allocation for the ROSL Scheme.
- To extend the tenure of the Drawback Committee and also to provide them the required mandate to fix the All Industry Rates of Duty Drawback under the GST regime.
- To revise the ROSL rates for Made-ups under the GST to reimburse incidence of unrebated State Levies.
- To dispense with the condition of "no refund of accumulated ITC" in the case of fabrics so as to bring at par with all other products in the GST rate of Schedule.
- To provide the Drawback Committee the required mandate to examine duties /taxes and to suggest suitable All Industry Rates of Duty Drawback under the GST regime.
- To extend the transitional arrangement for ROSL and All Industry Rates of Duty Drawback till December 31, 2017.



- To enhance the Duty Drawback rates for Cotton textiles products covered under Chapter 52, 60 and 63.
- To release the balance Duty Drawback amounts of 5.5% by JNPT Customs in those cases where lower rate of 2% has been extended as against composite rate of 7.5% on export of Made ups.
- To release Duty Drawback claims by JNPT Customs at the composite rate of 3% on export of cotton yarns in those cases where lower rate of 1.2% has been extended despite non-availment of ITC.
- To extend the Pre-GST Drawback rates till 31<sup>st</sup> March, 2018 as a transitional arrangement.
- To include “Quilts” and “Cotton Shopping Bags” Made ups falling under Tariff Nos. 940401, 940402 and 940499 of the Drawback Scheme under the ROSL.
- To include Cotton fabrics (HS Codes 5208 to 5212) under the ROSL Scheme.
- To extend the Pre-GST Drawback rates till June 30, 2018 as a transitional arrangement.
- To address the difficulties faced by the exporters in fulfilling the condition for supply of export goods made by the Manufacturers to Merchant exporters at a GST rate 0.10%.
- To treat “Cotton Shopping Bags” and “Quilt Products” as Made ups under MEIS and increase the entitlement of Duty Credit Scrips under the Scheme from 2% to 4% at par with other Made ups.
- To address the difficulty faced by the textile exporters while exporting to Bangladesh.
- To put in place a system to communicate errors/mismatches to the exporters so that they can rectify the errors and also expedite speedy refund of IGST on exports.
- To remove the condition of not allowing refund of IGST on exports in those cases where the inward supplies are categorized as deemed exports as per Notification No.75/2017-Central Tax dated 29/12/2017.
- To release the required funds to the Customs authorities to enable them to clear all the pending Claims under the ROSL Scheme for Made-ups & Garments.
- To abolish 5% GST on raw cotton under RCM.
- To increase MEIS rates for Napkins covered under ITC (HS) Codes 63049229, 63049249, 63049289 and 63049299 from 2% to 4%.
- To increase the MEIS rates for Cotton Fabrics covered under Chapter 50 to 60 from 2% to 4% at par with Made-ups.

### WORKING OF SUB COMMITTEES

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

### MEMBERSHIP PROFILE

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

Particulars	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Members	178	179
Registered Textile Exporters (RTEs)	2537	2621
<b>TOTAL</b>	<b>2715</b>	<b>2800</b>



## COMPOSITION OF THE COMMITTEE OF ADMINISTRATION

The newly constituted Committee of Administration held its first meeting on 26<sup>th</sup> September 2017 at Crystal (South), Hotel Taj Mahal Palace, Mumbai. Shri Ujwal R. Lahoti and Dr. K. V. Srinivasan continued to be the Chairman and Vice Chairman of the Council respectively, as per Para 2.92 of the FTP 2015-20.

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

Sr. No.	Name of Member	Attendance
<b><u>OFFICE BEARERS</u></b>		
1.	Shri Ujwal R. Lahoti, Chairman	6
2.	Dr. K. V. Srinivasan, Vice Chairman	4
<b><u>OTHER MEMBERS</u></b>		
3.	Ms. Preeti M. Sheth	6
4.	Shri Arun Todi	6
5.	Shri Ketan Manek	5
6.	Shri Tushar Ruparelia	5
7.	Shri Vishnukumar Jalan	5
8.	Shri Manojkumar Patodia	5
9.	Shri R. K. Dalmia	4
10.	Shri Umang Patodia	4
11.	Shri D. L. Sharma	4
12.	Shri Prakash Shah	4
13.	Shri Vijaykumar Agarwal (from 26.09.2017)	4
14.	Ms. Mridula Ramesh	3
15.	Shri M. Sivakannan	3
16.	Shri K. M. Poddar (till 09.08.2017)	3
17.	Shri Parag H. Udani, Nominee-AIEA	3
18.	Shri S. Dinakaran, Past Chairman- SIMA (till 26.09.2017)	3
19.	Shri Ashwin Chandran	3
20.	Shri K. Hari Thiagarajan	2
21.	Shri S. K. Saraf (from 26.09.2017)	2
22.	Shri P. Natraj, Chairman - SIMA (from 26.09.2017)	2
23.	Shri Maninarayan Velayutham	2
24.	Shri Aditya Krishna Pathy	1
25.	Shri Sanjay Jain, Chairman, CITI (from 26.09.2017)	1
26.	Shri Rajesh R. Mandawewala	0
27.	Shri S. K. Khandelia (till 26.09.2017)	0
28.	Dr. Subrata Gupta, IAS, Joint Secretary, MoT	0
29.	Dr. Kavita Gupta, IAS, Textile Commissioner	0
30.	Shri Naishadh Parikh, Chairman, CITI (till 03.05.2017)	0

During fiscal year 2017-18, the Committee met 6 times i.e. three(3) times prior to the AGM and three(3) times post AGM.



## 63<sup>RD</sup> ANNUAL GENERAL MEETING

The 63<sup>rd</sup> Annual General Meeting was held on Tuesday, the 26<sup>th</sup> September 2017 at 12 Noon at Crystal South, Hotel Taj Mahal Palace, Apollo Bunder, Colaba, Mumbai – 400 001. Nineteen (19) Member Exporters and Three (3) RTEs attended the meeting.

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

Greeting the members at the AGM, Chairman stated that there were new found hopes of a brighter future in the near term for the global economy compared to the expectations at the beginning of 2017. On account of a pickup in financial markets and a long-awaited cyclical recovery in manufacturing and trade, world growth is projected to rise from 3.1 per cent in 2016 to 3.5 per cent in 2017 and subsequently to 3.6 per cent in 2018.

Pointing to the state of Indian economy, Shri Lahoti stated that India's economic growth has slowed down considerably in the second quarter of fiscal year 2017-18 to below 6 per cent for the first time since 2014, which he believed was due to the continued slump in investment, excess production capacity, problem of "twin balance sheets" leading to inhibited bank lending on account of too many stressed assets. However, he looked forward to a higher growth rate in the remaining quarters of the fiscal year, once the economy gets over the impact of demonetization, adjusts to GST provisions and Government initiatives boost public/private investment etc.

Chairman pointed out that India's total exports (all commodities) stood at US \$ 274.6 billion in 2016-17 recording a rise of 4.7% higher than US \$ 262.2 billion in 2015-16. With regard to the export of cotton textiles from India, the Chairman stated that they had declined by (-) 2.37 per cent to a level of US \$ 10.70 billion in 2016-2017 from US \$ 10.86 billion in the previous year.

Referring to the internal challenges being faced by the Industry such as raw material availability, realignment of export incentives, strengthening of Indian Rupees vis-à-vis other currencies, inter-state competition, Chairman stated that these were making it difficult for the small and medium scale exporters to sustain their exports. External challenges such as global headwinds, structural changes in supply chain across the world, changing demand pattern in fiber mix etc. were also significantly impacting the pattern of global trade, leading to a prolonged episode of slow growth, he added.

In order to re-invigorate the textile/clothing sector and to overcome the challenges, the Chairman suggested adoption of strategies aimed at increasing the value added textile manufacturing, placing greater emphasis on innovation and R&D, rebate of all embedded central/state levies, review and speeding up of FTA with EU.

With regard to the implementation of GST, Shri Lahoti highlighted 3 critical issues relating to refund of GST on exports, refund of unutilized input tax credit for textile products and clearance of goods by Merchant exporters from manufacturers without payment of IGST. Chairman further stated that the Council has sent representations to the Government to allow utilization of Duty Credit Scrips (issued under chapter 3 of the FTP) for payment of IGST on imports, and CGST, SGST, IGST for domestic procurements. He also stated that the Council had sent representations to exempt imports against Advance Authorization, DFIA (Duty Free Import Authorization), EOUs and EPCG Schemes from the payment of IGST. Shri Ujwal Lahoti stated that pursuant to the Council's efforts the Department of Revenue had simplified the procedure for availing composite rate of Duty Drawback.

The Chairman also highlighted the intensive marketing efforts and studies undertaken by the Council during the fiscal year 2016-2017. During this fiscal year, the Council participated in various activities such as B2B meetings, exhibitions, roadshows, etc. and implemented the Ministry of Textiles approved "Annual Marketing Plan for 2016-17". The intensive marketing efforts overseas culminated in the organising of the country's first ever mega trade event for the textile sector, "Textile India 2017", in Gandhinagar, Gujarat from June 30<sup>th</sup> to



July 02<sup>nd</sup>, 2017.

Apart from organizing and participating in Trade Shows, the Chairman pointed out that the Council also commissioned a number of studies in F.Y 2016-17 through leading consulting firms like Boston Consulting Group (BCG), Ernst & Young LLP (EY), Technopak Advisors Pvt. Ltd., Wazir Advisors, on major commodities like yarn/fabrics/madeups with a view to enhancing India's competitiveness in these products and increasing employment prospects.

Shri Ujwal Lahoti, Chairman also informed the members that the Council had renewed its present Quality Management System (QMS) certification and is taking all the necessary steps to make a transition from ISO 9001:2008 to a new version 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 2017-18 including fixing of their remuneration & passed the special resolution relating to modification in the Articles of Association of the Council.

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

**Category: Export Performance between Rs. 5 Crores and Rs. 15 Crores**

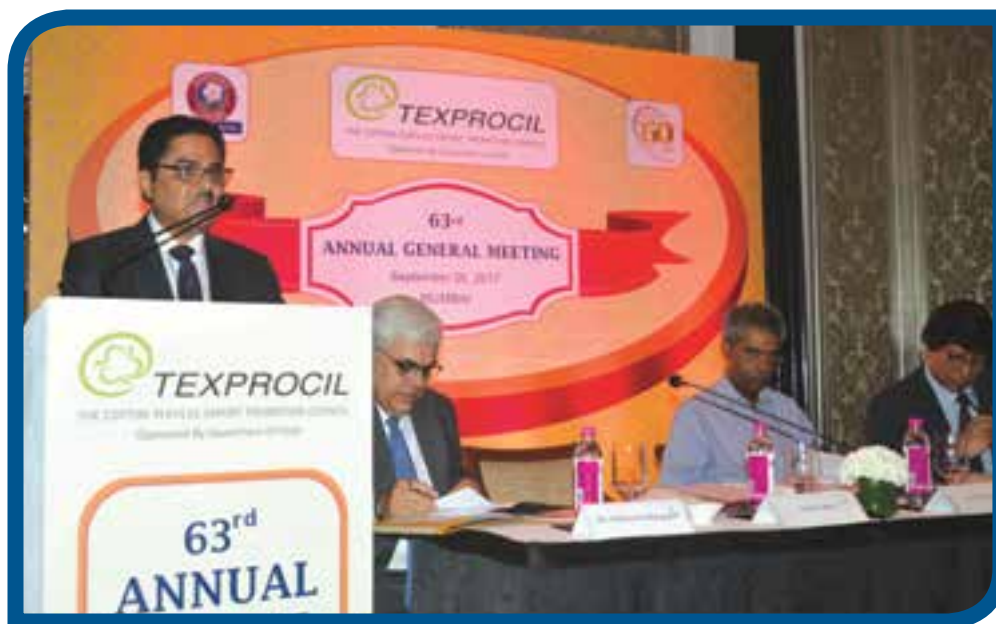
- Mr. Ketan Manek, M/s Govindji Trikamdas & Co.

**Category: Export Performance Rs. 15 Crores to Rs. 50 Crores**

- Mr. Manoj Kumar Patodia, M/s. Prime Urban Development India Ltd
- Ms. Mridula Ramesh, M/s Sundaram Textiles Ltd

**Category: Export Performance Rs. 50 Crores and above**

- Mr. Prakash Shah, M/s S.K Solutions
- Mr. Vijaykumar Agarwal, M/s Creative Textile Mills Pvt Ltd.
- Mr. Sharad Kumar Saraf, M/s Technocraft Industries (India) Ltd.
- Mr. Rajesh Mandawewala, M/s Welspun Global Brands Ltd.



**63rd Annual General Meeting of TEXPROCIL**

Shri Ujwal Lahoti, Chairman addressing the audience at the 63<sup>rd</sup> AGM of TEXPROCIL (Seated Left to Right) Dr. Siddhartha Rajagopal, Executive Director, Dr. K V Srinivasan, Vice Chairman, TEXPROCIL and Shri Ravi Kapoor, Accounts Auditor participating in the proceedings of the Annual General Meeting.



## THE SIXTY-FOURTH ANNUAL REPORT

### THE SIXTY-FOURTH ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION ON THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018 TO THE MEMBERS OF THE COUNCIL AS REQUIRED UNDER ARTICLE 71 OF THE ARTICLES OF ASSOCIATION OF THE COUNCIL

The Members of the Committee of Administration submit the Audited Balance Sheet and Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2018.

The Income and Expenditure Account after providing for all the known and anticipated charges and depreciation of Rs. 9,80,839/- on fixed assets disclosed an excess of Income over Expenditure of Rs. 1,84,56,947/-.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

The assets of the Council are kept in proper order.

#### Members of the Committee of Administration's Responsibility Statement:-

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

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Members of the Committee of Administration have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31<sup>st</sup> March, 2018 and of the Income and Expenditure of the company for that period;
- (c) the Members of the Committee of Administration have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Members of the Committee of Administration have prepared the annual accounts on a going concern basis; and
- (e) the Members of the Committee of Administration have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Information on the Directors / Committee members / KMP:

Shri R K Dalmia, Shri Ujwal Lahoti, Dr. K V Srinivasan, Shri Aditya Krishna Pathy, Shri Tushar Ruparelia and any one among Ms. Preeti Sheth and Shri ArunTodi are retiring by rotation and being eligible to offer themselves for re-election.

Following members were co-opted at the Annual General Meeting held in 2017:

1. Joint Secretary, Ministry of Textiles
2. Shri Parag Udani





3. Shri Sanjay Jain
4. Shri P. Nataraj, Chairman, SIMA
5. Shri Maninarayan Velayutham, Sri Gomathy Mills P Ltd
6. Shri Ashwin Chandran, Precot Meridien Ltd
7. Shri Vishnukumar Jalan, Eleganza Furnishings Pvt.Ltd

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

During the Financial Year 2017-18, the Company held 06 board / Committee meetings of the members as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	03.05.2017	27	10
2	29.06.2017	27	15
3	09.08.2017	27	14
4	26.09.2017	27	17
5	14.12.2017	27	17
6	13.03.2018	27	17

#### **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, 2018 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, 2018 is annexed herewith for your kind perusal and information.

The present Auditors of the Council, M/s. NipunSudhir & Associates, Chartered Accountants, (Firm Registration Number 126168W) were appointed as the Statutory Auditor of the Council for the financial year 2017-18 and are eligible for reappointment for the financial year 2018-2019.

M/s. NipunSudhir & Associates, Chartered Accountants, (Firm Registration Number 126168W) have consented to act as the Auditors of the Company and they have given eligibility certificate accordingly.

#### **LOANS, GUARANTEES AND INVESTMENTS:**

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



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

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

### **ORDER OF COURT**

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

### **ACKNOWLEDGEMENT**

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

**FOR AND ON BEHALF OF THE COMMITTEE**

**UJWAL LAHOTI**  
CHAIRMAN  
DIN: 00360785

Date: 15<sup>th</sup> September, 2018

Place: Mumbai



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

**As on financial year ended on 31.03.2018**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014.**

### I. REGISTRATION & OTHER DETAILS:

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

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

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

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

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

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)	-	-	-	-	-	-	-	-	



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-		-	-	-	-	-	-	-
b) Banks / FI	-		-	-	-	-	-	-	-
c) Central Govt.	-		-	-	-	-	-	-	-
d) State Govt.(s)	-		-	-	-	-	-	-	-
e) Venture Capital Funds	-		-	-	-	-	-	-	-
f) Insurance Companies	-		-	-	-	-	-	-	-
g) FIs	-		-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-		-	-	-	-	-	-	-
i) Others (specify)	-		-	-	-	-	-	-	-
Sub-total (B)(1):-	-		-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-		-	-	-	-	-	-	-
i) Indian	-		-	-	-	-	-	-	-
ii) Overseas	-		-	-	-	-	-	-	-
b) Individuals	-		-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-		-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-		-	-	-	-	-	-	-
c) Others (specify)	-		-	-	-	-	-	-	-
Non Resident Indians	-		-	-	-	-	-	-	-
Overseas Corporate Bodies	-		-	-	-	-	-	-	-
Foreign Nationals	-		-	-	-	-	-	-	-
Clearing Members	-		-	-	-	-	-	-	-
Trusts	-		-	-	-	-	-	-	-
Foreign Bodies - D R	-		-	-	-	-	-	-	-
Sub-total (B)(2):-	-		-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2) for GDRs & ADRs	-		-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-		-	-	-	-	-	-	-



**B) Shareholding of Promoter-**

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

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

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

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

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

**E) Shareholding of Directors and Key Managerial Personnel:**

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



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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

S. N.	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	-	-	-	-	-
	<b>Total (A)</b>	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-



**B) Remuneration to other directors**

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

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

S N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Dr. Siddhartha Rajagopal, Executive Director			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5157994	-	-	5157994
	(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	436505			436505
	Perquisite in Cash or in kind	420832			420832
	Reimbursement of expenses	65362			65362
	<b>Total</b>	<b>6080693</b>	-	-	<b>6080693</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For & on behalf of the Board of Directors

**Dr. Siddhartha Rajagopal**  
Executive Director  
(DIN 06720149)

Date: 15.09.2018  
Place: Mumbai





## INDEPENDENT AUDITOR'S REPORT to the Members of The Cotton Textiles Export Promotion Council

### Report on the Financial Statements

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, 2018, Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

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 and presentation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended. 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Council's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Council has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Council's Committee of Administrations, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



## Opinion

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

## 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 and 2015-16 had raised demand of Rs. 70,270,918/-. The matter was decided by Honorable Tribunal in favour of the Council for the AY 2009-10. The department has filed the petition to the Mumbai High Court against the said order. 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

## 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 2018 taken on record by the Committee of Administration, none of the Members of the Committee of Administration is disqualified as on 31 March 2018 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.7.02 crore which may impact its financial position if not in favour of the Council (Refer Note 25 of the financial statements for details of pending tax litigations);
  - (ii) The Council did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) The Council is not required to transfer any amount to Investor Education and Protection Fund by the Council;

**For Nipun Sudhir & ASSOCIATES**  
**Chartered Accountants**  
ICAI Firm Registration No. 126168W

**Nipun C. Shah**  
Partner  
Membership Number 41117

Date: 15.09.2018  
Place: Mumbai

# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

Balance Sheet as at 31st March, 2018

	Note	As at 31st March 2018 In Rs.	As at 31st March 2017 In Rs.
<b>I. CORPUS AND LIABILITIES</b>			
<b>1 Corpus Funds</b>			
(a) Corpus	2	53,917,760	52,807,760
(b) Reserves and Surplus	3	452,567,145	434,110,198
		<b>506,484,905</b>	<b>486,917,958</b>
<b>2 Non Current Liabilities</b>			
(a) Other Non Current Liabilities	4	4,007,600	6,853,760
(b) Long Term Provisions	5	5,507,994	5,324,795
		<b>9,515,594</b>	<b>12,178,555</b>
<b>3 Current Liabilities</b>			
(a) Other Current Liabilities	4	46,296,549	52,962,032
(b) Short-Term Provisions	5	6,101,794	7,248,396
		<b>52,398,343</b>	<b>60,210,428</b>
<b>TOTAL</b>		<b>568,398,842</b>	<b>559,306,942</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipments	6a	4,660,184	5,361,656
Intangible Assets	6b	130,712	32,107
(b) Non-Current Investments	7	239,635,364	344,694,000
(c) Long-Term Loans and Advances	8	79,650,277	73,215,263
(d) Other Non-Current Assets	9	-	-
		<b>324,076,537</b>	<b>423,303,026</b>
<b>2 Current Assets</b>			
(a) Current Investments	7	193,280,104	40,080,104
(b) Trade Receivables	10	1,215	247,241
(c) Cash and Bank Balances	11	34,696,921	77,012,606
(d) Short-Term Loans and Advances	8	1,446,615	4,128,800
(e) Other Current Assets	9	14,897,450	14,535,165
		<b>244,322,305</b>	<b>136,003,916</b>
<b>TOTAL</b>		<b>568,398,842</b>	<b>559,306,942</b>
Significant accounting policies	1		
Notes to Accounts	2-32		

As per our report of even date attached  
For NipunSudhir & Associates  
Firm Registration No. 0126168W  
Chartered Accountants

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

Nipun Shah  
Partner  
Membership Number: 41117

Dr. Siddhartha Rajagopal  
Executive Director

Ujwal Lahoti  
Chairman

Dr. K. V. Srinivasan  
Deputy Chairman

Date: 15.09.2018  
Place: Mumbai

N. Ravindranathan  
Director

Preeti M Sheth }  
Manoj Patodia } Committee  
Members



## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

Statement of Income and Expenditure for the year ended 31st March, 2018

	Note	For the year ended 31st March 2018	For the year ended 31st March 2017
		In Rs.	In Rs.
<b>Income</b>			
Revenue from Operations	12	16,585,761	15,162,780
Government Grants	13	25,890,847	27,911,838
Other Income	14	50,959,204	52,605,988
<b>Total Revenue</b>		<b>93,435,812</b>	<b>95,680,606</b>
<b>Expenditure</b>			
Exhibition & Buyer Seller Meet Expenses	15	27,557,142	21,009,020
Printing ,Publicity and Awards Expenses	16	555,776	6,027,009
Delegation, Seminar and Market Survey Expenses	17	3,801,106	12,618,340
Employee Benefit Expenses	18	23,926,697	23,067,578
Other Expenses (Administrative Expenses)	19	18,157,306	18,911,443
Depreciation and Amortisation	6	980,839	1,336,937
<b>Total expenditure</b>		<b>74,978,866</b>	<b>82,970,327</b>
Surplus for the year before tax		18,456,947	12,710,279
Provision for Tax ( Refer Note 25)		-	-
Surplus After Tax		18,456,947	12,710,279
Prior period adjustments (Net)	20		
<b>Surplus for the year</b>		<b>18,456,947</b>	<b>12,710,279</b>
Significant accounting policies	1		
Notes to Accounts	2-31		

As per our report of even date attached  
For NipunSudhir & Associates  
Firm Registration No. 0126168W  
Chartered Accountants

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

Nipun Shah  
Partner  
Membership Number: 41117

Dr. Siddhartha Rajagopal  
Executive Director

Ujwal Lahoti  
Chairman

Dr. K. V. Srinivasan  
Deputy Chairman

Date: 15.09.2018  
Place: Mumbai

N. Ravindranathan  
Director

Preeti M Sheth }  
Manoj Patodia } 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.

Interest income is recognized on a time proportion basis.

Dividend income is recognised when right to receive dividend is established.

Revenue from services is recognised on rendering of services.

Interest and other income are recognised on time proportion basis.

#### Entrance fees

Entrance fees received is credited to Corpus fund.

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

#### Government Grants

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

#### Leases

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

#### Provisions and Contingent Liabilities

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

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



## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

**Note : 2 Corpus**

	31st March 2018	31st March 2017
	In Rs.	In Rs.
<b>Entrance Fees</b>		
As per the last balance sheet	52,807,760	51,301,260
Addition during the year	1,110,000	1,506,500
<b>Total</b>	<b>53,917,760</b>	<b>52,807,760</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/-.

**Note : 3 Reserves and Surplus**

	31st March 2018	31st March 2017
	In Rs.	In Rs.
Surplus in Statement of Income and Expenditure		
Opening balance	434,110,198	421,399,919
Add: Surplus for the year	18,456,947	12,710,279
<b>Total</b>	<b>452,567,145</b>	<b>434,110,198</b>





## THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 4 - Other Liabilities

	Non Current Portion		Current Portion	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	In Rs.	In Rs.	In Rs.	In Rs.
Earnest Money Deposit / Forfeiture Amount	-	-	28,234,793	27,202,385
Statutory Dues	-	-	193,112	168,378
Advance from customer	-	-	57,783	40,961
Income received in advance	-	-	4,297,430	9,939,373
Deposit for premises given on rent	4,007,600	6,853,760	725,000	-
Advance against MAI grants	-	-	-	1,540,000
Liability for Expenses	-	-	3,696,562	2,658,148
MDA Grant to be disbursed to Exporters (Refer Note no. 21)	-	-	-	3,378,175
Government Grant Refundable	-	-	410,000	3,972,931
Other Liabilities (Refer Note no.30)	-	-	8,681,870	4,061,681
<b>Total</b>	<b>4,007,600</b>	<b>6,853,760</b>	<b>46,296,549</b>	<b>52,962,032</b>

#### Note 5 - Provisions

	Non Current Portion		Current Portion	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	In Rs.	In Rs.	In Rs.	In Rs.
Compensated Absence (Refer Note no.20 C)	5,507,994	5,324,795	6,101,794	5,262,443
Gratuity (Refer Note no.20 B)	-	-	-	1,985,953
<b>Total</b>	<b>5,507,994</b>	<b>5,324,795</b>	<b>6,101,794</b>	<b>7,248,396</b>



## THE COTTON TEXTILES

NOTES FORMING

### Note 6: Fixed Assets

		Gross Block			
Particulars	Balance as at 1st April 2017	Additions	On Disposals	Balance as at 31st March 2018	
<b>A</b>	<b>Property, Plant and Equipments</b>				
1	Building	8,638,058	-	-	8,638,058
		(8,638,058)	-	-	(8,638,058)
2	Furniture & Fixtures	7,064,780	-	-	7,064,780
		(7,064,780)	-	-	(7,064,780)
3	Office Equipments	2,602,034	23,500	-	2,625,534
		(2,526,720)	(75,314)	-	(2,602,034)
4	Motor Cars	2,039,585	-	-	2,039,585
		(2,039,585)	-	-	(2,039,585)
5	Computers	2,322,194	184,072	-	2,506,266
		(2,311,394)	(10,800)	-	(2,322,194)
	<b>Total (A)</b>	<b>22,666,651</b>	<b>207,572</b>	<b>-</b>	<b>22,874,223</b>
	Previous Year	(22,580,537)	(86,114)	-	(22,666,651)
<b>B</b>	<b>Intangible assets</b>				
1	Computer Software	642,140	170,400	-	812,540
		(642,140)	-	-	(642,140)
	<b>Total (B)</b>	<b>642,140</b>	<b>170,400</b>	<b>-</b>	<b>812,540</b>
	Previous Year	(642,140)	-	-	(642,140)
	<b>Total (A + B)</b>	<b>23,308,791</b>	<b>377,972</b>	<b>-</b>	<b>23,686,763</b>
	Previous Year	(23,222,677)	(86,114)	-	(23,308,791)

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

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



## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

Accumulated Depreciation/Amortisation			Net Block		
Balance upto 31st March 2017	Depreciation charge for the year	On Disposals	Balance upto 31st March 2018	Balance as at 31st March 2018	Balance as at 31st March 2017
5,133,831	171,676	-	5,305,507	3,332,551	3,504,227
(4,953,311)	(180,520)	-	(5,133,831)	(3,504,227)	(3,684,747)
6,353,385	263,675	-	6,617,061	447,719	711,395
(5,821,785)	(531,600)	-	(6,353,385)	(711,394)	(1,242,995)
2,379,817	69,311	-	2,449,128	176,406	222,217
(2,256,870)	(122,947)	-	(2,379,817)	(222,217)	(269,850)
1,283,816	272,076	-	1,555,893	483,692	755,769
(858,697)	(425,119)	-	(1,283,816)	(755,769)	(1,180,888)
2,154,144	132,306	-	2,286,450	219,816	168,050
(2,077,394)	(76,750)	-	(2,154,144)	(168,050)	(234,000)
<b>17,304,994</b>	<b>909,044</b>	<b>-</b>	<b>18,214,039</b>	<b>4,660,184</b>	<b>5,361,657</b>
(15,968,057)	(1,336,937)	-	(17,304,994)	(5,361,656)	(6,612,479)
610,033	71,795	-	681,828	130,712	32,107
(610,033)	-	-	(610,033)	(32,107)	(32,107)
<b>610,033</b>	<b>71,795</b>	<b>-</b>	<b>681,828</b>	<b>130,712</b>	<b>32,107</b>
(610,033)	-	-	(610,033)	(32,107)	(32,107)
<b>17,915,027</b>	<b>980,839</b>	<b>-</b>	<b>18,895,867</b>	<b>4,790,896</b>	<b>5,393,764</b>
(16,578,090)	(1,336,937)	-	(17,915,027)	(5,393,763)	(6,644,586)



## THE COTTON TEXTILES

### NOTES FORMING

#### Note 7 -Investments

	Non Current Portion		Current Portion	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	In Rs.	In Rs.	In Rs.	In Rs.
<b>Non Trade and Unquoted</b>				
8% Government of India Taxable Bonds (Maturity Date -19-July-2022)	40,000,000	40,000,000	-	-
8% Government of India Taxable Bonds (Maturity Date -26-May-2023)	20,000,000	-	-	-
8.14% Housing& Urban Development Corp. Ltd. Tax Free Bonds (Maturity Date -25-October-2023)	10,000,000	10,000,000	-	-
8.23% Indian Railway Finance Corp. Ltd Tax Free Bonds (Maturity Date -18-February-2024)	10,000,000	10,000,000	-	-
REC (Rural Electrification Corporation Ltd) Tax Free Bonds (Maturity Date - 5-November-2025)	4,580,000	4,580,000	-	-
NHAI (National Highway Authority of India) Tax Free Bonds (Maturity Date - 9-March-2026)	1,542,000	1,542,000	-	-
8.5% Bank of Baroda Perpetual Bonds (Maturity Date -30-November-2022)	10,289,304	-	-	-
HDFC Mutual Fund Fixed Maturity Plan 3360D (Maturity Date -06-June-2023, Units: 10,00,000 (PY Nil) Market Value 130,38,500)	12,723,300	-	-	-
8.39% State Bank of India Perpetual Bonds (Maturity Date -04-January-2023)	15,128,760	-	-	-
<b>Fixed Deposits</b>				
Tamilnadu Power Finance& Infrastructure Development Corporation Ltd.	5,000,000	45,000,000	40,000,000	-
HDFC Ltd.	20,900,000	74,600,000	53,700,000	10,000,000
ICICI Bank Ltd.	-	-	80,104	80,104
LIC Housing Finance Ltd.	29,672,000	109,172,000	79,500,000	15,000,000
PNB Housing Finance Ltd.	59,800,000	49,800,000	20,000,000	15,000,000
<b>Total</b>	<b>239,635,364</b>	<b>344,694,000</b>	<b>193,280,104</b>	<b>40,080,104</b>



## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

Note 8 - Loans and Advances	Non Current Portion		Current Portion	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	In Rs.	In Rs.	In Rs.	In Rs.
Security Deposits				
Unsecured, considered good unless otherwise stated	-	-	-	-
Considered good	443,923	443,923	800,000	500,000
Considered doubtful	-	-	-	-
	<b>443,923</b>	<b>443,923</b>	<b>800,000</b>	<b>500,000</b>
Less: Provision for doubtful deposits	-	-	-	-
<b>Sub-total</b>	<b>443,923</b>	<b>443,923</b>	<b>800,000</b>	<b>500,000</b>
<b>Advances recoverable in cash or kind</b>				
<i>Unsecured, considered good unless otherwise stated</i>	-	-	-	-
Considered good	-	-	10,000	220,255
Considered doubtful	-	-	-	-
	-	-	<b>10,000</b>	<b>220,255</b>
Less: Provision for doubtful advances	-	-	-	-
<b>Sub-total</b>	-	-	<b>10,000</b>	<b>220,255</b>
<b>Other loans and advances</b>				
<i>Unsecured, considered good unless otherwise stated</i>				
Advance Income Tax	79,206,354	72,771,340	-	-
Service Tax Receivable	-	-	86,747	1,654,233
KrishiKalyan Cess Receivable	-	-	1,648	49,827
Balance with Post & Telegraph Office	-	-	22,237	12,407
Prepaid Expenses	-	-	224,560	1,497,569
Loan and advances to employees	-	-	301,423	194,509
<b>Sub-total</b>	<b>79,206,354</b>	<b>72,771,340</b>	<b>636,615</b>	<b>3,408,545</b>
<b>Total</b>	<b>79,650,277</b>	<b>73,215,263</b>	<b>1,446,615</b>	<b>4,128,800</b>



## THE COTTON TEXTILES

### NOTES FORMING

Note 9 - Other Assets	Non Current Portion		Current Portion	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	In Rs.	In Rs.	In Rs.	In Rs.
Accrued Interest On Financial Institutions	-	-	3,352,870	5,693,678
Accrued Interest On Perpetual Bonds	-	-	578,304	-
Accrued Interest On Taxable Bonds	-	-	1,915,733	533,333
Interest Accrued on Tax Free Bonds	-	-	1,301,941	1,302,536
	-	-	<b>7,148,848</b>	<b>7,529,547</b>
<b>Government Grant Receivable</b>				
Market Access Initiative (MAI) grant for events abroad	-	-	6,955,863	6,986,260
	-	-	<b>6,955,863</b>	<b>6,986,260</b>
<b>Other Assets</b>				
Unsecured, considered good unless otherwise stated	-	-	-	-
Considered good	-	-	792,739	19,358
	-	-	792,739	19,358
<b>Total</b>	-	-	<b>14,897,450</b>	<b>14,535,165</b>

Note 10 - Trade Receivables	31st March 2018	31st March 2017
	In Rs.	In Rs.
	Unsecured, considered good unless otherwise stated	
<b>Outstanding for a period exceeding six months from the date they become due for payment</b>		
Considered good	-	-
<b>Sub-Total</b>	-	-
<b>Outstanding for a period less than six months from the date they become due for payment</b>		
Considered good	1,215	247,241
<b>Sub-Total</b>	<b>1,215</b>	<b>247,241</b>
<b>Total</b>	<b>1,215</b>	<b>247,241</b>



## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

#### Note 11 - Cash and Bank Balances

	31st March 2018	31st March 2017
	In Rs.	In Rs.
<b>Cash and Bank Balances</b>		
<b>Balances with Banks:</b>		
In current accounts	34,678,163	76,996,422
Cash on hand	18,758	16,184
<b>Total</b>	<b>34,696,921</b>	<b>77,012,606</b>

#### Note: 12 - Revenue from Operations

	2017-18	2016-17
	In Rs.	In Rs.
<b>Operating Income</b>		
Membership- Council Member	1,856,000	1,734,000
Membership- Registered Textile Exporter (RTE)	14,104,500	12,725,000
<b>Sub -Total</b>	<b>15,960,500</b>	<b>14,459,000</b>
<b>Other Operating Income</b>		
Certificate of origin charges	289,261	348,780
Export Performance Charges	336,000	355,000
<b>Sub -Total</b>	<b>625,261</b>	<b>703,780</b>
<b>Total</b>	<b>16,585,761</b>	<b>15,162,780</b>



## THE COTTON TEXTILES

### NOTES FORMING

#### Note: 13 - Government Grants

	2017-18	2016-17
	In Rs.	In Rs.
Market Development Assistance (MDA) grant under code activities for Participation in Fairs / Exhibitions, Buyer Seller Meet (BSM), Publicity etc.	-	5,887,000
Market Access Initiative (MAI) grant from Government of India for Participation in Fairs / Exhibitions and Market Studies etc.	24,760,847	23,386,260
Market Access Initiative (MAI) grant from Government of India for Participation in Fairs / Exhibitions and Market Studies etc. of earlier years	-	5,760,161
other Market Access Initiative (MAI) grants from Government of India towards Legal and Quota Administration Expenditure	1,540,000	-
towards Legal and Quota Administration Expenditure of earlier years	-	1,076,223
<b>Sub -Total</b>	<b>26,300,847</b>	<b>36,109,644</b>
Refund of Market Development Assistance (MDA) grant under code activities of Current year	-	(2,185,921)
Refund of Market Development Assistance (MDA) grant under code activities of earlier year	-	(241,885)
Refund of Market Access Initiative (MAI) grant	(410,000)	
Refund made to Exporters towards MAI grant of current years	-	(5,770,000)
<b>Sub -Total</b>	<b>(410,000)</b>	<b>(8,197,806)</b>
<b>Total</b>	<b>25,890,847</b>	<b>27,911,838</b>

#### Note : 14 - Other Income

	2017-18	2016-17
	In Rs.	In Rs.
<b>Interest income on</b>		
Fixed Deposits with Banks	-	5,927,208
<b>Interest Income on Non Current Investments</b>		
8% Government of India Taxable Bonds	4,582,400	3,120,000
Tax Free Bonds	2,061,119	2,059,102
Fixed Deposits with Financial Institutions (Current & Non Current)	29,496,246	25,818,245
From Bank	237,950	-
From Perpetual bonds of Banks	578,304	-
Incentive on Investment	240,000	560,544
Rent Income	13,591,257	13,997,520
Advertisement Income	85,901	318,575
Exchange rate difference	28,378	(12,240)
Other Income	57,649	817,034
<b>Total</b>	<b>50,959,204</b>	<b>52,605,988</b>





## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

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

	2017-18	2016-17
	In Rs.	In Rs.
Exhibition Expenses & Buyer Seller Meet	82,580,304	85,602,126
Less: Contribution from Exporters	(55,023,162)	(64,593,106)
<b>Total</b>	<b>27,557,142</b>	<b>21,009,020</b>

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

	2017-18	2016-17
	In Rs.	In Rs.
Printing of Reports, Publicity, Gift Articles, Awards etc.	5,055,776	11,077,009
Less: Advertisement / Sponsorship recovery from exporters	(4,500,000)	(5,050,000)
<b>Total</b>	<b>555,776</b>	<b>6,027,009</b>

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

	2017-18	2016-17
	In Rs.	In Rs.
Delegation, Seminar and Market Survey Exp	3,801,106	12,728,246
Less: Contribution from exporters	-	(109,906)
<b>Total</b>	<b>3,801,106</b>	<b>12,618,340</b>

#### Note 18 - Employee Benefit Expenses

	2017-18	2016-17
	In Rs.	In Rs.
Salaries & allowances	16,351,968	15,113,466
Payment to contractual employees	4,951,773	4,416,664
Leave Encashment Benefit	1,259,526	1,765,580
Contribution to provident fund	1,245,353	1,164,767
Contribution to group gratuity scheme	-	501,048
Staff welfare expenses	118,077	106,053
<b>Total</b>	<b>23,926,697</b>	<b>23,067,578</b>



## THE COTTON TEXTILES

### NOTES FORMING

#### Note 19 - Other Expenses

	2017-18	2016-17
	In Rs.	In Rs.
Travelling Expenses	4,285,326	4,453,504
Advertisement Expenses	1,150,875	1,220,051
Rent	4,328,974	4,615,837
Rates & Taxes	710,594	763,151
Legal & Professional Charges	1,939,075	1,965,279
Electricity Expenses	971,481	1,176,202
Printing & Stationery	390,931	298,526
Auditor's Remuneration (Refer Note below)	250,000	250,000
Internal Audit Fees	100,000	90,000
Repairs & Maintenance	807,621	1,161,644
Telephone Expenses	285,393	321,575
Amortization of premium/ discount on investments	26,895	-
Postage & Courier	162,428	215,379
Website Charges	239,618	282,565
Meeting Expenses	447,897	267,181
Entertainment Expenses	94,191	109,513
Motor Car Expenses	572,056	426,998
Interest - Others	213,223	111,796
Other Expenses	1,180,729	1,182,243
<b>Total</b>	<b>18,157,306</b>	<b>18,911,443</b>

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

	2017-18	2016-17
	In Rs.	In Rs.
<b>As auditor:</b>		
Audit fee	250,000	250,000
Reimbursement of expenses	-	-
<b>Total</b>	<b>250,000</b>	<b>250,000</b>

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

##### (A) Defined contribution plans

Particulars	31st March 2018	31st March 2017
	In Rs.	In Rs.
Contribution to Provident Fund	1,245,353	1,164,767



## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

#### (B) Defined benefit plans – Gratuity

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

Particulars	31st March 2018	31st March 2017
Actuarial assumptions		
Discount rate	7.70%	7.20%
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>		
<b>Present value of DBO at beginning of the year</b>	<b>11,137,732</b>	<b>9,921,442</b>
Current service cost	378,402	311,477
Interest cost	619,922	584,942
Benefits paid	-	-
Actuarial losses/(gains)	(57,905)	319,871
<b>Present value of DBO at the end of the year</b>	<b>12,078,151</b>	<b>11,137,732</b>
<b>Change in fair value of plan assets during the year</b>		
Fair value of Plan assets at beginning of the year	9,151,779	8,436,537
Expected return on plan assets	505,925	484,230
Current service cost	-	-
Contribution	1,985,953	-
Interest cost	-	-
Benefits paid	-	-
Actuarial losses/(gains)	514,013	231,012
<b>Fair value of plan assets at the end of the year</b>	<b>12,157,670</b>	<b>9,151,779</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	12,078,151	11,137,732
Fair value of Plan Assets at the end of the year	12,157,670	9,151,779
Funded status [Surplus / (Deficit)]	79,519	(1,985,953)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>79,519</b>	<b>(1,985,953)</b>
<b>Expenses recognised in the Statement of Income and Expenditure</b>		
Current service cost	378,402	311,477
Interest cost	619,922	584,942
Expected return on plan assets	(505,925)	(484,230)
Net actuarial Loss recognized in the Statement of Income and Expenditure	(571,918)	88,859
<b>Total expenses recognised in Statement of Income and Expenditure*</b>	<b>(79,519)</b>	<b>501,048</b>

The contributions expected to be paid to the plan during the annual period	1,000,000	1,000,000
----------------------------------------------------------------------------	-----------	-----------

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



## THE COTTON TEXTILES

### NOTES FORMING

Gratuity	2017-2018	2016-2017
Present value of DBO	12,078,151	11,137,732
Fair value of plan assets	12,157,670	9,151,779
Funded status [Surplus / (Deficit)]*	79,519	(1,985,953)
Experience gain / (loss) adjustments on plan liabilities	185,663	49,108
Experience gain / (loss) adjustments on plan assets	514,013	231,012

#### (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:

Particulars	Rupees	
	2017-2018	2016-2017
<b>Actuarial assumptions</b>		
Discount rate	7.70%	7.20%
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	11,137,732	9,394,790
Present value of DBO at the end of the year	11,609,788	11,137,732

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

Particulars	31st March 2018		31st March 2017	
	In Rs.	In Rs.	In Rs.	In Rs.
As per last Balance Sheet	3,378,175	-	9,850,364	-
Add : Receipts during the year	-	-	8,976,000	-
Less : Disbursed during the year	(3,378,175)	-	(13,661,179)	-
Less : Refunded / refundable / adjusted during the year	-	-	(1,787,010)	-
<b>MDA Grant to be disbursed to Exporters</b>	-	-	-	3,378,175

#### Note 22 - Related Party Disclosure

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

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



## EXPORT PROMOTION COUNCIL

### PART OF FINANCIAL STATEMENTS

Details of transactions with related parties are as follows:

Name of the related party	Nature of transaction	31st March 2018	31st March 2017
		In Rs.	In Rs.
Dr. Siddhartha Rajagopal Executive Director	Salary and Allowances	5,157,994	5,311,479
	Contribution to Provident Fund	436,505	406,624
	Perquisite in Cash or in kind	420,832	661,389
	Reimbursements of expenses	65,362	110,235
	<b>Total</b>	<b>6,080,693</b>	<b>6,489,727</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, during the year the Hon'ble Tribunal while reversing 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. The tribunal's order has however 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 and 2015-16. The Council has already filed an appeal against the said order with Commissioner of Income Tax (Appeals). In the opinion of the management of the Council the activities of the Council are in the nature of charitable purpose in accordance with section 2(15) and accordingly the provisions of section 11 would apply to the Council. In view of the above, no provision for taxation has been made by the Council for the financial year 2015-16 or for earlier years amounting to Rs.7,02,70,918 /-, (Previous year Rs.6,37,62,898/-). The management of the council, having regard to favourable decision of the Hon'ble Tribunal, 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. 615,77,293/- (Previous Year Rs. 8,58,22,132/- ).



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

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

Particulars	31st March 2018	31st March 2017
	In Rs.	In Rs.
Lease Rentals (Included in Other Expenses Note -19)	4,328,974	4,615,837
Obligation of Non - Cancellable Lease		
Not Later than One Year	4,084,000	6,013,589
Later than one year but not later than five years	14,784,000	16,777,895

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 Income and Expenditure 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 2018	31st March 2017
	In Rs.	In Rs.
Lease Income (Included in Other Income Note - 14)	13,591,257	13,997,520
Receivable on Non - Cancellable Lease		
Not Later than One Year	8,647,400	12,976,060
Later than one year but not later than five years	32,733,150	290,000

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

As per our report of even date attached  
For Nipun Sudhir & Associates  
Firm Registration No. 0126168W  
Chartered Accountants

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

Nipun Shah  
Partner  
Membership Number: 41117

Dr. Siddhartha Rajagopal  
Executive Director

Ujwal Lahoti  
Chairman

Dr. K. V. Srinivasan  
Deputy Chairman

Date: 15.09.2018  
Place: Mumbai

N. Ravindranathan  
Director

Preeti M Sheth }  
Manoj Patodia } Committee Members



# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

CIN: U91110 MH 1954 NPL009385

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

**ATTENDANCE SLIP**

**Please complete the Attendance Slip & hand it over at the entrance of the meeting hall**

64<sup>th</sup> Annual General Meeting on Thursday, 29<sup>th</sup> November, 2018

NAME OF THE MEMBER: \_\_\_\_\_

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

certify that I am a Member/Proxy for the Member of the Council. I hereby accord my presence, at the 64<sup>th</sup> Annual General Meeting of the Council held at 11.30 A.M., on Thursday, 29<sup>th</sup> November, 2018 at Grand Cru Salon, The St. Regis, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

Signature (of Member/Proxy) \_\_\_\_\_

### PROXY

#### THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

CIN: U91110 MH 1954 NPL009385

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

64<sup>th</sup> Annual General Meeting on Thursday, 29<sup>th</sup> November, 2018

Name of the Member (s) (Firm/Company): \_\_\_\_\_

Membership No & Region:- \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

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

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

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

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

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

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

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on resolutions (other than Election of Executive Committee Members of the Council) at the 64<sup>th</sup> Annual General Meeting of the Council to be held on 29<sup>th</sup> November, 2018, Thursday at 11.30 A.M. at Grand Cru Salon, The St. Regis, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 and at any adjournment thereof

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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

Signature of Proxy Holder 2. \_\_\_\_\_ Signature of Proxy Holder 3. \_\_\_\_\_

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

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









**TEXPROCIL**

**THE COTTON TEXTILES EXPORT PROMOTION COUNCIL  
REWARDING EXCELLENCE IN EXPORTS  
EXPORT AWARDS 2016-2017**



# THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

## PAST CHAIRMEN

PERIOD	NAME OF PAST CHAIRMAN
1954 - 1966	(Late) Shri Neville N. Wadia
1966 - 1974	(Late) Shri K. M. D. Thackersey
1974 - 1977	Shri Nusli N. Wadia
1977 - 1979	(Late) Shri Babubhai C. Shroff
1979 - 1981	Shri Sudhir K. Thackersey
1981 - 1983	(Late) Shri R. S. Mehra
1983 - 1984	(Late) Shri Ajay Chimanbhai
1984 - 1986	Shri M. M. Sheth
1986 - 1988	Shri J. P. Goenka
1988 - 1990	Shri P. D. Patodia
1990 - 1992	(Late) Dr. Mohanlal Piramal
1992 - 1994	(Late) Shri R. S. Mehra
1994 - 1996	Shri Sudhir K. Thackersey
1996 - 1998	(Late) Shri G. Devarajan
1998 - 2000	(Late) Shri D. S. Alva
2000 - 2002	Shri T. Kannan
2002 - 2004	Shri Lalit P. Desai
2004 - 2006	Shri B. K. Patodia
2006 - 2008	Shri Prem Malik
2008 - 2010	Shri V. S. Velayutham
2010 - 2012	Shri Amit Ruparelia
2012 - 2014	(Late) Shri Manikam Ramaswami
2014 - 2016	Shri R. K. Dalmia



# 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 Chinthal : IT Officer

Mrs. Smita Dalvi : Administrative Officer

Mrs. Deepa Kini : Executive Secretary to ED

## REGIONAL OFFICE

New Delhi

Shri K. Raju : Regional Officer

OTHER STAFF : 12



64<sup>th</sup> Annual Report 2017-2018



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THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA  
(Sponsored by Government of India)  
AN ISO 9001 : 2015 CERTIFIED COMPANY

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