

RECORD NOTE OF THE PROCEEDINGS OF THE 63RD ANNUAL GENERAL MEETING OF THE COUNCIL HELD ON THURSDAY, 28TH SEPTEMBER, 2017 AT 2.30 P.M. IN THE CAPITOL HALL, VIVANTA – TAJ PRESIDENT, 90, CUFFE PARADE, MUMBAI – 400 005

PRESENT:

1. Shri Sri Narain Aggarwal, Chairman
2. Shri Ronak Rughani, Vice-Chairman
3. Shri R.L. Toshniwal
4. Shri Sanjeev Saran
5. Shri Rakesh Mehra
6. Shri Praveen Kumar Sadh
7. Shri Satish Agarwal
8. Shri Rajesh Kumar Modi
9. Shri Vinod Kumar Singal
10. Shri Shaleen Toshniwal
11. Shri Sanjay Kumar Verma
12. Shri Dhiraj Raichand Shah
13. Shri Ahmed Abdul Sattar Khatri
14. Shri Bhadresh M. Dodhya

Smt. Nishi Jain, Company Secretary was also present

(The Complete list of those present at the AGM given in Annexure-I)

ITEM 1**NOTICE OF THE MEETING**

1.1.The Additional Director of the Council read the Notice of the Meeting.

ITEM 2**AUDITOR'S REPORT**

2.1.The Additional Director read the Auditor's Report.

ITEM 3**SPEECH OF CHAIRMAN**

Shri Sri Narain Aggarwal, Chairman welcomed the members to the 63rd Annual General Meeting of the Council. He said that it was heartening to note that exports of MMF textiles have started picking up in line with India's overall merchandise exports. The latest data shows that there has been a double digit growth of 10.3% in August 2017. He also said that it was encouraging to note that 'textiles' also finds place in the sectors which have shown positive growth during the month. However, exports which had made a recovery in the last 12 months slid down to an eight month low in July, which was due to the rupee appreciation and the initiation Goods & Services Tax (GST).

The Chairman said that exports of MMF textiles during the year 2016-17 was US\$ 5853.49 million while during 2015-16 it was US\$5767.25 million, recording nearly 2% growth in dollar value terms. Although the growth has not been exceptional, it has been an improvement from the downslide the industry had experienced in the year 2015-16. Overall and segment wise; barring just one item, yarn, all of them registered a positive growth, especially fibre which had a double digit growth for the year. UAE which continued to be the top market for Indian MMF textiles in the year shared the slot with USA with a 10% share each in total exports of MMF textiles from India. Shri Aggarwal said that it was noteworthy to mention that our neighboring country Pakistan has emerged as the 9th largest market for Indian MMF textiles.

It has been the Council's endeavor to showcase Indian MMF textiles in various overseas markets through its numerous promotional programmes which has been instrumental in placing us in the world as one of the topmost sourcing destinations. In the past, these Promotional Programmes have helped many Member exporters clinch successful business deals in the overseas markets. Accordingly, in the year 2016-17, the Council had organized successful Exhibitions/Fairs in various countries including its maiden exclusive Exhibition – INTEXPO in Dubai and first ever participation in IM INTERMODA, Guadalajara, Mexico. The Council also organized its exclusive Exhibitions in Bangladesh, Myanmar, Ethiopia and Kenya and organized participation of its member companies in 47th Federal Trade Fair for Apparel & Textile TEXTILLEGPROM, Moscow, Russia. These Exhibitions enabled the participating member companies generate on-the-spot business orders as well as gave them an opportunity to consolidate their presence in these markets.

The Chairman informed that the year also saw the Council hosting one of its mega projects – the Reverse Buyer Seller Meet – SOURCE INDIA in Surat, Gujarat. He mentioned that the exclusive Buyer Seller Meet with a participation of 105 member companies including 39 participants from the Small Scale Industries of the Council was a huge success. The 2-day Meet attracted over 1200 visitors. The event was inaugurated by the Hon'ble Union Minister of Textiles, Smt Smriti Zubin Irani as the Chief Guest in the presence of Government officials, dignitaries, senior officials and media.

Around 100 foreign buyers from the target countries of Asia, Middle East & Gulf, Africa, South America, Europe and Australia were invited by the Council. During the two-day Meet various events such as Fashion Shows, Theme Pavilion, Seminars and Workshops were held which helped overseas buyers get an insight of the alluring range of Indian MMF textile industry and its dynamics.

It was also informed that on the occasion of the SOURCE INDIA, the Council had the privilege of signing a Memorandum of Understanding

(MoU) with the Kabul Chamber of Commerce & Industry. The signing of the MoU was the first step towards developing a good relationship between the two organizations for further expansion of trade of MMF textiles between the two countries. As you are aware, Afghanistan is a fast emerging market for textiles and at present Indian exporters have negligible direct trade of textiles with Afghanistan which they sell to this market through third countries.

Shri Sri Narain Aggarwal also said that the exports of MMF textiles have shown some recovery in the last twelve months. However, the focus is to sustain our exports during these difficult times, for which there is need for consideration by way of generous Policy support from the Government. We have suggested some of the urgent measures to be taken in this regard to the Government including the Ministry of Textiles and Ministry of Commerce.

The Chairman informed that during his interaction with the Hon'ble Minister of Textiles, Smt. Smriti Iraniji, issues related to the Foreign Trade Policy were raised. He also informed her that import duty on synthetic fabrics need to be increased to ensure that Indian manufacturer survive against cheap imports from China. He has also suggested to her that the MEIS Scheme should be continued as neighbouring countries have the advantage of GSP. The Hon'ble Minister took note to the proposed suggestions and assured that these will be taken up suitably with the concerned authorities in the mid-term review of the FTP.

Shri Aggarwal also informed that the Council has been recommending to the Government to include the remaining MMF textile items with suitable reward rates in all Country Group under the Merchandise Exports from India Scheme (MEIS) to boost the exports of synthetic and blended textiles from India. The Council has also recommended that in countries like Turkey and Peru where Anti-dumping duties have been imposed; MEIS benefits may be given by way of including these countries under the MEIS. Synthetic Fabrics and technical textiles should also be included in the MEIS which have high global demand.

The Chairman also said that the launch of the goods and services tax (GST) regime was described as a “good and simple tax” that would end harassment of traders and small businesses and integrate India into one market with one tax rate. However, the challenges in its implementation have affected business, at least as far as exporters are concerned. Indian exporters are already feeling pressure on their margins because of rupee appreciation this year. GST implementation issues added to their woes. Exporters, especially smaller exporters are having a tough time complying with the new indirect tax regime. They also fear a loss of competitiveness due to higher working capital requirements and tedious documentation work.

Shri Sri Narain Aggawal, Chairman also said that the roll out of GST has brought about a lot of mixed reaction in the textile industry with the MMF industry bearing the maximum burden with high rates for raw materials of Man-made fibre than other fibres. However, the GST Council's move to slash the rate on job work like weaving, cutting, knitting and embroidery to 5% from 18% is encouraging and we welcome it wholeheartedly. It is indeed a big relief to small job-work manufacturers in all segments of textile value chain which will allow the free flow of business across the value chain. This 5% GST rate on job works will enable the industry to claim full input credit and also avoid any inverted duty and strengthen the global competitiveness of the textile sector apart from benefiting the domestic consumers.

The Council has also brought to the notice of the government the critical issue of huge import of fabrics from China, especially in the post GST Regime, the import of most MMF Textiles particularly fabrics have become 13% to 14% cheaper in real terms which could result in closure of large number of fabric manufacturing units in textile hubs like Surat, Malegaon, Bhivandi, Ichalkaranji etc. No specific duties are imposed on the fabrics falling under Chapter 60 and hence, the imports of fabric from China are taking place under Chapter 60. All other fabrics falling under other chapters attract specific duties. Therefore he said that he had requested the government to impose a specific duty or an additional duty of 15% on imports of fabrics.

The Chairman said that he would also like to take this opportunity to thank the Government for providing ROSL rates for Made-ups which

existed prior to July 1, 2017 on exports effected from July 1, 2017 to September 30, 2017, now extended till 31st December 2017, as a transitional provision on similar lines as in the case of All Industry Rates of Duty Drawback (AIR) so that exporters of Made ups who have quoted to the foreign buyers based on the earlier ROSL rates are not adversely affected.

Shri Aggarwal also informed that the New Drawback Rates announced on 22nd September, 2017 has brought a great disappointment to the exporters of MMF Textiles. The reduction in the Drawback Rates will have a deep negative impact on the exports. Moreover, this may also result in a shortfall in the achievement of the export target fixed for the year by the Government for the Council. The uncertainty prevailing for the last three months regarding the GST rates on apparel and job work has already cost the MMF Textile industry. Moreover, with this steep decline in the drawback support our MMF exporters will be crippled and doomed in uncertainties. Drawback is one of the key policy support measures towards lifting industry's cost competitiveness in the wake of above slew of factors adversely affecting the sector. When exports are already under stress and when the industry is not clear on the input tax credit that would be available, the industry should be supported. In the absence of encouraging drawback rates, the exports will further witness a sharp decline.

Shri Sri Narain Aggarwal, Chairman placed on record his gratitude to Smt. Nirmala Sitharaman, Minister of State for Commerce & Industry for her pro-active approach in ensuring remedial action for the growth of Indian textile industry and exports and her initiatives in strengthening economic relations with other countries.

The Chairman welcomed Shri Suresh Prabhu, the new Hon'ble Commerce Minister and looked forward to his support and guidance to take the MMF textiles to greater heights.

He also took the opportunity to express gratitude to Smt. Smriti Zubin Irani, Hon'ble Union Minister for Textiles who has been a source of strength for us and constantly interacted with the textile community to understand their problems and find solutions to them.

Shri Aggarwal also welcomed Shri Anant Kumar Singh, the new Secretary (Textiles) and expressed his gratitude for all the support extended. He thanked Smt Rashmi Verma for her guidance during her tenure as the Secretary (Textiles).

The Chairman thanked Smt. Rita Teotia, the Commerce Secretary for her kind understanding of the problems faced by exporters and for the prompt action initiated by him in resolving them.

He said that he was grateful to Shri Puneet Agarwal, Joint Secretary for addressing the problems faced by exporters.

Shri Aggarwal conveyed his sincere thanks to Dr. Kavita Gupta, Textile Commissioner who has supported all the initiatives of the Council. He placed on record his gratitude for her involvement and guidance in addressing problems of exporters and guidance on carrying out Council's activities.

The Chairman took the opportunity to welcome Shri G. K. Pillai the new Chairman, Drawback Committee.

He said that he was also grateful to Shri Anup Wadhawan, Director General of Foreign Trade, and his team of dedicated officers meticulously handling the matters connected with Exim Policy and Procedures. He welcomed Shri Alok Chaturvedi, the new Director General of Foreign Trade. He also welcomed the new Zonal Addl DGFT, Ms. Sonia Sethi, IAS, and said that she has also been very helpful in providing timely guidance and advice on policy issues.

He thanked Shri Rajnish, Joint Secretary (MOC), Shri Rajeev Kumar (MOC), and Shri R. K. Singh (MOT), Under Secretaries, for their support for various proposals by the Council under the MDA/MAI Schemes which helped the Council carry out promotional programmes successfully with financial support from the Government. He also thanked Shri Tapan Mazumdar, Director, Ministry of Commerce for his help in various policy matters including those regarding Anti Dumping Duties.

Shri Aggarwal conveyed his thanks to Dr. Hasmukh Adhia, IAS, Revenue Secretary and other officers of the Revenue Department for their help and guidance especially in matters relating to Duty Drawback.

He expressed his deep appreciation of Shri Ronak Rughani, Vice Chairman for his unstinting support and unlimited professional advice to carry out his responsibilities as Chairman of the Council.

The Chairman also placed on record his gratitude to the Members of the Committee of Administration who had spared their valuable time and contributed creatively to deliberations and activities of the Council. He said that he was indebted to them for their unconditional support and valuable advice.

ITEM 4

ADDRESS BY THE CHIEF GUEST

There was no Chief Guest for the AGM.

ITEM 5

ANNOUNCEMENT OF THE ELECTION

5.1. The Additional Director of the Council informed that according to the Articles of Association of the Council, one-third of the total number of members of the Committee of Administration other than the Ex-officio members shall retire by rotation. The number of members retiring at the conclusion of the 63rd Annual General Meeting is Six. There is an additional vacant seat in the SSI category. Thus the total number of vacant seats in the COA are Seven. The Council had invited nominations to fill up the vacant seats in the Committee of Administration in accordance with the categories as specified in the Articles of Association and Bye-Laws. The nominations received were scrutinized by the Election Committee.

5.2. The position of valid nominations is as follows:

ANNOUNCEMENT ABOUT ELECTION FOR THE VACANT SEATS IN THE COMMITTEE OF ADMINISTRATION.

The following valid Nominations were received from the Members for the respective categories:

I MANUFACTURERS (VACANT SEATS - 2)

1. SHRI VIKAS LADIA, M/s. D DECOR EXPORTS PVT. LTD.,
MUMBAI.

Since there was only one candidate against two vacant seats, Election was not held for this category.

In Manufacturers Category , Shri Vikas Ladia was therefore declared elected and as there was still one vacant seat, Shri Bhadresh M. Dodhia was Co-opted for one year.

II S.S.I. (SMALL SCALE INDUSTRIES) (VACANT SEATS – 2)

1. SHRI. SRI NARAIN AGGARWAL, M/s. PRAFFUL EXPORTS,
SURAT.
2. SHRI ASHISH MAHAJAN, M/S.MAHAJAN TEXTILE FINISHERS
(P) LTD., MUMBAI.

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Sri Narain Aggarwal and Shri Ashish Mahajan were therefore declared elected.

III. STATUS HOLDERS (VACANT SEATS – 2)

1. SHRI. SUBHASH CHAND GOYAL, M/S. MAHENDRA COTTON MILLS
PVT.LTD., MUMBAI.
2. SHRI VIJAY K. PURI, M/s.VIJAY FABRICS PVT.LTD., MUMBAI.

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Subhash Chand Goyal and Shri Vijay K. Puri were therefore declared elected.

IV. OTHERS - (MERCHANT-EXPORTERS) (VACANT SEAT- 1)

1. Shri Punkajj Lath, M/S. EURO VISTAA (INDIA) LTD.,MUMBAI

Since there was only one candidate against one vacant seat, Election was not held for this category. Shri Punkajj Lath was therefore declared elected.

ITEM 6

i. APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2016-2017

With regard to the adoption of the Annual Report, the following Resolution was unanimously adopted which was proposed by Shri Rajesh Modi of M/s. Banbury Exports and Seconded by Shri P.K. Sadh of M/s. Shree Krishna Dyg. & Ptg. Works.

“RESOLVED THAT THE ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION FOR THE YEAR ENDED 31ST MARCH, 2017 BE AND ARE HEREBY APPROVED AND ADOPTED.”

ii. APPROVAL OF THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT AND CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017.

With regard to the adoption of the Balance Sheet and Income & Expenditure Account and Cash Flow Statement for the year ended 31st March, 2017 the following Resolution was unanimously adopted which was proposed by Shri Anup Poddar, M/s. Beepee Enterprises Pvt. Ltd. and Seconded by Shri Dhiraj Shah of M/s. Fairdeal Filaments Ltd,

“RESOLVED THAT THE AUDITED BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT AND CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 BE AND ARE HEREBY APPROVED AND ADOPTED BY THE COMMITTEE OF ADMINISTRATION.”

ITEM 7

APPOINTMENT OF AUDITORS FOR THE YEAR 2017-18

7.1.The following Resolution for appointment of auditors for the year 2017-18 which was proposed by Shri Subhash Goyal of M/s. Mahendra Cotton Mills Pvt Ltd. and seconded by Shri Praveen Kumar Sadh, of M/s. Shree Krishna Dyg. & Ptg. Works. was unanimously passed.

“RESOLVED THAT M/S. JHAVERI & ASSOCIATES, CHARTERED ACCOUNTANTS BE AND ARE HEREBY APPOINTED AUDITORS OF THE

COUNCIL UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING ON A REMUNERATION OF RS. 50,000/- (Fifty Thousand) PER ANNUM PLUS APPLICABLE TAXES.”

ITEM 8

APPROVAL OF EXCESS EXPENDITURE FOR THE YEAR 2016-17

8.1.The following Resolution approving the excess expenditure incurred during the year 2016-17 which was proposed by Shri Shaleen Toshniwal of M/s. Banswara Syntex Ltd and seconded by Shri Ashish Mahajan of M/s. Mahajan Textile Finishers Pvt Ltd. was passed:

" RESOLVED THAT THE EXPENDITURE INCURRED IN EXCESS OF THE BUDGET ESTIMATES FOR THE YEAR 2016-17 IN RESPECT OF CERTAIN HEADS MENTIONED IN ANNEXURE 'A' OF THE REPORT OF THE COMMITTEE OF ADMINISTRATION BE AND IS HEREBY CONFIRMED AND SANCTIONED".

ITEM 9

VOTE OF THANKS

The meeting ended with a Vote of Thanks by Shri Ronak Rughani, Vice-Chairman of the Council.

**(S. BALARAJU)
EXECUTIVE DIRECTOR**

ANNEXURE- IList of Members who attended the Annual General Meeting of the Council held on 28th September, 2017.

1. Shri S.K.Verma,M/s.Grasim Industries Ltd.
2. Shri Sri Narain Aggarwal, M/s. Prafful Exports
3. Shri Shaleen Toshniwal, M/s. Banswara Syntex Ltd
4. Shri Vinod Kumar Singal, M/s.Aakash Textiles Exports Pvt.Ltd.
5. Shri Ronak Rughani, M/s. Rughani Brothers
6. Shri Rakesh Mehra, M/s. Banswara Syntex Ltd.
7. Shri Praveen kumar S. Sadh, M/s. Shreekrishna Dyeing & Printing works
8. Shri Sanjeev Saran, Reeti Exim & Application (P) Ltd.
9. Shri Satish Agarwal, M/s. Topman Exports Ltd.
10. Shri Rajesh Modi, Banbury Exports (A Div.Of Banbury Impex Pvt.Ltd.)
11. Shri N.M.Gupta
12. Shri Dhirubhai Shah,M/s.Fairdeal Filaments Ltd..
13. Shri R.L.Toshniwal, M/s.Banswaras Syntex Ltd.
14. Shri Ritesh Porwal, M/s. Navkar Exports
15. Ms.Reena Mishra, M/s.Vijay International
16. Shri Bhadresh Dodhia, M/s.Dodhia Synthetics Ltd.
17. Ms.Sunita Yadav, M/s.Sai Exports.
18. Shri Nirmal Dubey, M/s.Handsome's India
19. Shri Bharat T.Gandhi, M/s. Batsons Textiles
20. Shri Ahmed Abdul Sattar Khatri, M/s.Yasmeen Silk Corporation
21. Shri P.B.Rughani, M/s. Shreeji Traders
22. Shri Gaurav V.D, M/s. Handsomes India
23. Shri Sushil Harlalka,M/s.Puneet Syntex (P) Ltd.
24. Shri Balwant Patil, M/s.Digjam Ltd.
25. Shri Ravindra Ajmera, M/s.D.M.Exporters
26. Shri Harish Vajani, M/s.P.Harish Exports
27. Shri Mohammed Ashraf Khan,M/s.Fashion Square
28. Shri Mohammed Akram Khan, M/s. Fashion Square
29. Shri.Amish Dresswala, M/s.Girish International
30. Shri Subhash Goyal,M/s.Mahendra Cotton Mills (P) Ltd..
31. Shri Hemant Bhai, M/s.MAhendra Cotton Mills (P) Ltd.
32. Mr.Shrawankumar P. Sadh, M/s. S.K.International (Export) Co.
33. Shri Afzal Khan, M/s. Fashion World
34. Shri Azam Khan, M/s. Fashion World
35. Shri Yashir Khan,M/s.Fashion Centre

36. Shri.B.R.Jain, M/s.Pee Vee Textiles Ltd.
37. Shri Ashish Mahajan, M/s.Mahajan Textile Finishers (P) Ltd..
38. Shri Ashish Raj Goal, M/s. Sankeshwara Rayons Pvt. Ltd.
39. Shri Amit, M/s. Mahendra Trading Corporation
40. Shri Rajendra B.Rochlani,M/s.Anita International
41. Shri Anup Poddar, M/s. Beepee Enterprise Pvt.Ltd.
42. Shri Amit Saraogi, M/s.Shubhlakshmi Polyesters Ltd.
43. Shri Sarthak Rajendra Surana,M/s.Surana Polycot Textiles India Pvt.Ltd.
44. Shri A.Khan, M/s.Goolab Khan Peer Khan Co.
45. Shri.Sanjay Sheth, M/s.Karishma Exports