

## **DRAFT**

### **RECORD NOTE OF THE PROCEEDINGS OF THE 61<sup>st</sup> ANNUAL GENERAL MEETING OF THE COUNCIL HELD ON WEDNESDAY, 30<sup>TH</sup> SEPTEMBER, 2015 AT 2.30 P.M. IN THE PANORAMA HALL, THE AMBASSADOR HOTEL, CHURCHGATE, MUMBAI – 400 020**

#### **PRESENT:**

1. Shri Anil Rajvanshi, Chairman
2. Shri Sri Narain Aggarwal, Vice-Chairman
3. Shri R.L.Toshniwal, M/s. Banswara Syntex Ltd
4. Shri Vinod K. Ladia, M/s. Shree Rajasthan Syntex Ltd.
5. Shri Ambuj Kasliwal, M/s. S.Kumars Nationwide Ltd.
6. Shri Aziz Valiulla, M/s. Kausar Textiles
7. Shri Praveen kumar S. Sadh, M/s. Shreekrishna Dyeing & Printing works
8. Shri Gulam Mohamed, M/s. S.K. Exports
9. Shri Pankaj Tibrewal, M/s. RSR Mohota Spg & Wvg Mills Ltd
10. Shri Satish Aggarwal, M/s. Topman Exports Ltd.
11. Shri Ronak Rughani, M/s. Rughani Brothers
12. Shri Sailesh Goenka, M/s. P.D. Impex
13. Shri N.M.Gupta, M/s.Rituraj Holdings (P) Ltd.
14. Shri Rajesh Kumar Modi, M/s. Banbury Exports
15. Shri N. P. Jhaveri, Chartered Accountant
16. Shri V. Anil Kumar, Executive Director

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

#### **ITEM 1**

##### **NOTICE OF THE MEETING**

The Executive Director read the Notice convening the Meeting.

#### **ITEM 2**

##### **AUDITOR'S REPORT**

The Executive Director read the Auditor's report.

#### **ITEM 3**

##### **SPEECH OF CHAIRMAN**

Shri Anil Rajvanshi, Chairman welcomed all the past Chairmen and members present to the 61st Annual General Meeting of the Council.

Chairman said that as per directions of the MoT and MOC, FTP 2015-20, Council has introduced Electronic Voting System (EVS) during this year with the support of National Securities Depository Limited (NSDL), a recognized agency to execute it. The option for both remote e-voting and e-voting at the venue of the AGM was provided for the members to vote on Resolutions as per the Notice of the AGM. The

Council has engaged a professional Company Secretary for scrutinizing e-voting process, as per the directions of the Ministry.

Briefly explaining the current global economic situation, Chairman mentioned that the present recession in certain countries seems deep-seated affecting both growth and export of major economies worldwide. Both the major markets of MMF textiles, the US and the EU are not yet on recovery path. He said that the global economy has been passing through an uncertain period with a slew of events, first the Greece crisis affecting the EU zone, followed by the China economic showdown and subsequently devaluation of the Yuan. The global economic situation looks unpredictable due to volatile economic circumstances in many countries and also due to exchange rate threats emanating from stress in their domestic economies. The expected growth resulting from the low oil price also seems to be difficult now. The Chairman said that, the Global Trade in Textiles and Clothing during 2014 was US \$ 829 billion and India's T&C exports was only US\$38.60bn., a mere 4.66% share. We have to strive hard to increase our share as envisaged in the Vision document of the Ministry.

Chairman mentioned that, though 2014-15 had been a difficult year for the MMF textile industry, exports of MMF textiles has registered a growth of nearly 2%. Our target was US\$ 6500 million but we could only reach US \$ 6340. Made-ups and fabrics witnessed encouraging growth and Exports of Fabrics dominated with a share of 37% followed by Yarn 30%, Made-ups 24% and Fibre 9% in India's MMF textiles exports during April –March 2014-15. He said that our exports were directed to 153 countries around the globe during 2014-15 and UAE has emerged as the leading market for Indian MMF textiles exports while Turkey ranks 2nd and neighboring market Bangladesh is the 4th largest market.

He mentioned that the current year trend of MMF Exports is disturbing. During April-July, 2015-16, exports were US\$ 1788.26 Million against US\$ 1904.59 Mn. during the corresponding period of previous year, showing a decline of 6.5%. He said that this is due to the ongoing impasse in policy support.

The Chairman informed that for the current year, 2015-16, the Ministry of Textiles has set an ambitious export target of US\$5.9 billion for the Council. He expressed confidence that with the continued concerted efforts of the exporters and expected policy support forthcoming from the Government, this can be achieved.

Shri Rajvanshi mentioned that the Council has been making all out efforts to sensitize the government at the highest levels to take up the concerns of the MMF Textile Industry. He said that in a recently held Meeting with the Hon'ble Finance Minister, Shri Arun Jaitley, the stakeholders of textile industry requested for immediate measures to boost its growth and exports, as China could give way to its textile manufacturing space. India can strive to push exports, provided important issues concerning the sector are addressed by the Ministry of Textiles/Ministry of Commerce & Industry.

The Chairman said that he met all concerned officials and suggested that to reverse the disappointing export sentiments and recessionary phase, the textile industry needs a multi pronged policy intervention including investment incentives, reduction in excise duties of man-made fibre and restoration of interest subvention. These measures could give exports the much needed boost. He informed that Council has through its repeated representations urged both the Ministry of Commerce & Industry and Ministry of Textiles to take urgent policy measures to restore the abruptly withdrawn benefits to the Man-made fibre textile sector under the FTP 2015-20.

Shri Rajvanshi said that the excise duty on MMF textiles has been high while cotton has no taxes or duties. The industry suffered in the last decade when an optional route was introduced in July 2004 for entire textile value chain barring manmade/synthetic fibres and yarns. This step coupled with high excise duty discouraged the development and consumption of MMF Textile items in India, while world over it has grown exponentially. Hence the Council has requested reduction in Excise duty from 12.5 % to 6 % to enhance the competitiveness of the MMF Textile sector.

The Chairman informed that the Council had obtained information on imports through RTI and it was shocking to know that fabrics imported under Advance license were less than Rs300 crores in last 3 years while last year fabrics import was worth Rs. 5500 crores mainly from China. Accordingly the Council has requested the Ministry to put curbs on import of Fabrics by unscrupulous traders.

The Chairman informed that over the years, the Council has held exhibitions in new as well as traditional markets which have helped member-exporters build fruitful business deals in markets across the globe, which are highly rewarding. In 2014-15 successful Exhibitions were held in various countries including exclusive INTEXPO(the Council's brand name) for the first time in Peru, Sudan, Ethiopia and Myanmar. The Council has organized exclusive Exhibitions in Bangladesh & Colombia and organized group participation in Istanbul Yarn Fair in Turkey. He said that during the year 2015-16, the Council has participated in SAIGON TEX, Vietnam and organized participation of members in INTEXPO, EL SALVADOR & HONDURAS. The Council also has drawn up programme for organising Exhibitions / Fairs in various thrust and new international markets such as Egypt, China, Turkey, Morocco, Senegal, France, Pakistan and Afghanistan under MDA and MAI Scheme. The Chairman urged the members to actively participate in the promotional programmes being organized by the Council to enhance exports.

The Chairman said that Regional Trade Agreements (RTAs) and Preferential Trading Arrangements (PTAs) are "building blocks" towards achieving the overall objective of trade liberalization. He sought the cooperation of the members by way of providing inputs for providing the same to the Govt. for proper negotiations with other Countries. India has concluded 11 Free Trade Agreements (FTAs) and 5

Preferential Trade Agreements (PTAs) and is in the process of negotiating/expanding 17 more. He mentioned that India is negotiating the mega FREE TRADE agreement known as the Regional Comprehensive Economic Partnership (RCEP) which constitutes the 10 countries of ASEAN and their five FTA partners namely Australia, China, Japan, Republic of Korea, and New Zealand. The Council has been providing inputs to the Government while negotiating these agreements including the latest negotiations of the RCEP. He said that the Council is also hopeful for a PTA with Turkey which would help the MMF textiles to expand trade.

Shri Anil Rajvanshi reiterated that the MMF Textiles industry needed policy stimulus like interest subvention, MEIS incentives for specific markets like LAC, CIS, SAARC and Africa region.

The Chairman highlighting remedial measures made by the Council to the government said that this is the key for reviving the exports of MMF Textiles. These include; to allow imports against advance license only and possibility of filing anti-dumping duty by group companies to stop the damaging imports which burdened domestic man-made industry; to reduce the existing excise duty on Manmade fibre to 6% from the current 12.5%; to allow benefits under TUFS; to revamp export benefits under MEIS of [FTP 2015-20](#) ; to remove 4% SAD on all man-made fibres, to restore 12B benefits ; to enhance Duty Drawback rates for all Synthetic items; to provide interest subvention to all exporters of the textile sector including MMF textiles irrespective of their size and investment in plant and machinery; to make available export credit at international lending rates; to increase cost/support for defending anti-dumping cases, to increase financial assistance MDA/MAI Scheme and to provide higher trade facilitation support measures.

Shri Rajvanshi said that since the last few years, MMF exporters have to deal with an increasing number of Anti-dumping investigations which have been initiated on a number of textiles of Indian origin. The ongoing Anti-Dumping Duties/Safeguard Duties levied by Turkey, Indonesia, Peru, Egypt, Brazil, and the European Union are severely affecting MMF Textiles exports, as imposition of Anti-dumping duties impacts our competitiveness. He said that the Council is in contact with the concerned in the Ministry to take up Anti Dumping matters with the concerned countries bilaterally through diplomatic channels and also at the WTO platform, required so that the anti-dumping duties on MMF Textiles may be withdrawn/reduced. There is a need for increase in financial assistance for defending Anti-dumping cases against Indian exports under the MAI scheme as defending anti-dumping cases involve high legal fees and other costs.

Shri Anil Rajvanshi, Chairman took this opportunity to place on record his gratitude to Smt. Nirmala Sitharaman, Minister 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.

He also thanked Shri Santosh Kumar Gangwar, Hon'ble Union Minister of State for Textiles who has been constantly interacting with the textile community to understand their problems and find solutions to them.

The Chairman thanked Shri Sanjay Kumar Panda, Secretary (Textiles) for his guidance and support in solving the various problems faced by the exporters.

Shri Rajvanshi welcomed Smt. Rita Teotia, the new Commerce Secretary and said that he looks forward for her wholehearted support during these difficult times to take exports to greater heights. He also thanked Shri Rajeev Kher, the former Commerce Secretary for his understanding of the problems faced by exporters and for the prompt action initiated by him in resolving them.

He also thanked Ms. Sunaina Tomar, Joint Secretary(Exports), MoT, and said that Council has been benefitting by her encouraging attitude and dedicated involvement and guidance, in highlighting various issues of exporters and supports in carrying out Council's activities.

The Chairman thanked Shri Arvind Mehta, Additional Secretary (MOC), for his profound support to the Council's various promotional programmes, which helped to enhance the exports of Indian MMF textiles.

He also thanked Smt. Kiran Soni Gupta, Textile Commissioner who has always extended her whole hearted co-operation in the activities of the Council.

Shri Rajvanshi thanked Dr. Soumitra Choudhuri, Chairman, Drawback Committee and his team, who have been supporting for the enhancement of Drawback and they had come to Mumbai and had a meeting with the Council's Officials and members of the Committee of Administration and provided guidance for enhancement of Drawback.

The Chairman said that he was also grateful to Shri Pravir Kumar, Director General of Foreign Trade, and his team of dedicated officers meticulously handling the matters connected with Exim Policy and Procedures. He said that Ms. Kavita Gupta, Zonal DGFT Mumbai has also been proactive in providing timely guidance and advice on policy issues. He has extended sincere thanks to both of them.

Shri Rajvanshi expressed his appreciation to Shri Sri Narain Aggarwal, Vice Chairman for extending his unstinting support and unlimited professional advice to carry out his responsibilities as Chairman of the Council.

He also placed on record his gratitude to the Members of the Committee of Administration who have spared their valuable time and contributed creatively to all the deliberations and activities of the Council.

He also thanked the Officers and Staff of the Council, and appreciated their diligence and commitment while discharging their duties.

#### **ITEM 4**

##### **APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2014-2015**

With regard to the adoption of the Annual Report, the following Resolution was unanimously adopted which was proposed by Shri Vinod K. Ladia and Seconded by Shri Ambuj Kasliwal.

**“RESOLVED THAT THE ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 BE AND ARE HEREBY APPROVED AND ADOPTED.”**

#### **ITEM 5**

##### **APPROVAL OF THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 2014-2015**

With regard to the adoption of the Balance Sheet and Income & Expenditure Account for the year 2014-15, the following Resolution was unanimously adopted which was proposed by Shri Pankaj Tibrewal and Seconded by Shri Aziz Valiulla.

**“RESOLVED THAT THE REPORT ON THE STATE AND FINANCIAL CONDITIONS, THE AUDITED BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 BE AND ARE HEREBY APPROVED AND ADOPTED.”**

#### **ITEM 6**

##### **ELECTION TO THE COMMITTEE OF ADMINISTRATION**

The Executive Director Cum Secretary 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 61<sup>st</sup> Annual General Meeting will be Eight. 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. The position of valid nominations is as follows:

## **I. MANUFACTURERS (VACANT SEATS -2)**

- i. Shri Manoj Ramuraman Agarwal, M/s. Shubhalakshmi Polyesters Ltd., Mumbai.
- ii. Shri Rajesh Kumar Modi, M/s. Banbury Exports (A Div. of Banbury Impex P. Ltd), Mumbai

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Manoj Ramuraman Agarwal and Shri Rajesh Kumar Modi were therefore declared elected.

## **2. S.S.I. ( SMALL SCALE INDUSTRIES ) (VACANT SEAT-1)**

- i. Shri Praveen kumar S. Sath, M/s. Shreekrishna Dyg. & Ptg. Works, Mumbai

Since there was only one candidate against one vacant seat, Election was not held for this category. Shri Praveen kumar S. Sath was therefore declared elected.

## **3. STATUS HOLDERS (VACANT SEATS-2)**

- i. Shri Anil Kumar Rajvanshi, M/s. Reliance Industries Ltd, Mumbai

Since there was only one candidate against two vacant seats, Election was not held for this category. Shri Anil Kumar Rajvanshi was therefore declared elected.

## **5. OTHERS - (MERCHANT-EXPORTERS) (VACANT SEATS-3)**

- i. Shri Vinod Kumar Singal, M/s. Aakash Textiles Exports Ltd., Mumbai
- ii. Shri Pankaj Tibrewal, M/s. The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd., Mumbai)

Since there were only two candidates against three vacant seats, Election was not held for this category. Shri Vinod Kumar Singal and Shri Pankaj Tibrewal were therefore declared elected.

## **ITEM 7**

### **APPOINTMENT OF AUDITORS**

The following Resolution which was proposed by Shri Ambuj Kasliwal and seconded by Shri Vinod K. Ladia 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. 40000/- PER ANNUM PLUS APPLICABLE SERVICE TAX.”**

**ITEM 8**

**APPROVAL OF EXCESS EXPENDITURE FOR THE YEAR 2014-15**

The following Resolution which was proposed by Shri Aziz Valiulla and seconded by Shri Pankaj Tibrewal was passed:

**" RESOLVED THAT THE EXPENDITURE INCURRED IN EXCESS OF THE BUDGET ESTIMATES FOR THE YEAR 2014-15 IN RESPECT OF CERTAIN HEADS MENTIONED IN ANNEXURE 'A' TO THE REPORT OF THE COMMITTEE OF ADMINISTRATION BE AND IS HEREBY CONFIRMED AND SANCTIONED".**

**ITEM 9**

**AMENDMENT OF ARTICLE OF ASSOCIATION OF THE COUNCIL**

The following Resolution in connection with the amendment of the Articles of Association which was endorsed by sixteen ordinary members of the Council was passed :

**RESOLUTION FOR AMENDMENT IN ARTICLES OF ASSOCIATION**

**“RESOLVED THAT pursuant to the provisions of Section 14, Section 8(4) (i) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and FTP 2015-20, or any other act as may be applicable for the time being in force, and subject to the necessary approvals from the concerned Ministry, Government of India, Central government, State Government, or any other authority, if required, the Articles of Association of the Council be and are hereby required to be amended by replacing some of the existing regulations with the new regulations, a copy of which is annexed to the explanatory statement.”**

**‘FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr. Anil Rajbanshi, Chairman of the Council, be and are hereby severally authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Council to the end and intent that they shall be deemed to have given their approval hereto and execute all necessary documents,**



**applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Mumbai.”**

The Council has been celebrating the completion of 60 years of service to the Industry and the nation. As a token of this, a Directory of the members of the Council was also released on the occasion of the AGM. The first copy of the same was handed over to Shri Vinod K. Ladia by Chairman, Shri Anil Rajvanshi.

### **VOTE OF THANKS**

The meeting ended with the Vote of Thanks by Shri Sri Narain Aggarwal, Vice-Chairman of the Council.

The Chairman asked the gathering if they had any questions or doubts to be clarified. In this connection some of the members said that earlier the Council used to organize meetings with the Customs, ECGC, Banks etc. but now the Council does not do so. Answering this query, Shri Anil Rajvanshi said that the DGFT is having Open House meetings and any member desiring to meet the DGFT can attend these Open House meetings. He also said that the Council will also try to organize meetings with the Custom authorities and Banks for the benefit of its members. In this connection it was decided to hold workshops on Tax issues, policies, Service Tax issue, Excise duty etc.

The Chairman said that a monthly follow-up of the member's problems/complaints etc. will be taken up with the Customs, DGFT etc.

Since there were no more items to be taken up in the AGM, the Chairman announced the conclusion of the AGM.

**(V. ANIL KUMAR)**  
**EXECUTIVE DIRECTOR CUM SECRETARY**

**ANNEXURE- I**List of Members who attended the Annual General Meeting of the Council held on 30th September, 2015.

1. Shri Anil Rajvanshi, M/s. Reliance Industries Ltd
2. Shri Sri Narain Aggarwal, M/s. Prafful Exports
3. Shri R.L.Toshniwal, M/s. Banswara Syntex Ltd
4. Shri Vinod K. Ladia, M/s. Shree Rajasthan Syntex Ltd.
5. Shri Ambuj Kasliwal, M/s. S.Kumars Nationwide Ltd.
6. Shri Aziz Valiulla, M/s. Kausar Textiles
7. Shri Praveen kumar S. Sadh, M/s. Shreekrishna Dyeing & Printing works
8. Shri Gulam Mohamed, M/s. S.K. Exports
9. Shri Pankaj Tibrewal, M/s. RSR Mohota Spg & Wvg Mills Ltd
10. Shri Satish Aggarwal, M/s. Topman Exports Ltd.
11. Shri Ronak Rughani, M/s. Rughani Brothers
12. Shri Sailesh Goenka, M/s. P.D. Impex
13. Shri N.M.Gupta, M/s.Rituraj Holdings (P) Ltd.
14. Shri Rajesh Kumar Modi, M/s. Banbury Exports
15. Shri Subhash B. Goyal, M/s. Mahendra Cotton Mills
16. Shri Ritesh Porwal, M/s. Navkar Exports
17. Shri B.R. Jain, M/s. Pee Vee Textiles
18. Shri Vinod Mohota, M/s. RSR Mohota Spg & Wvg Mills Ltd
19. Shri Vinod Kumar Singal, M/s. Aakash Exports
20. Shri Ravi Mehra, M/s. Aakash Exports
21. Shri Mayur Agrawal, M/s. Vijay Silk House
22. Shri Atul Tandon, M/s. Wellknown Polyesters Ltd.
23. Shri Arun Jobanpulia, M/s. Wellknown PolestersLtd.