

RECORD NOTE OF THE PROCEEDINGS OF THE 65TH ANNUAL GENERAL MEETING OF THE COUNCIL HELD ON SATURDAY, 28TH SEPTEMBER, 2019 FROM 2.30 P.M. TO 3.15 P.M. IN THE C.K. NAYUDU BANQUET HALL, THE CRICKET CLUB OF INDIA LTD, BRABOURNE STADIUM, MUMBAI

PRESENT:

1. Shri Ronak Rughani, M/s.Rughani Brothers
2. Shri Dhiraj R Shah, M/s.Shahlon Silk Industries Ltd.
3. Shri Sri Narain Aggarwal, M/s. Praful Exports
4. Shri Anil Rajvanshi, M/s. Reliance Industries Ltd.
5. Shri Shaleen Toshniwal, M/s. Sanjay Weaving Mills (P) Ltd.
6. Shri Rakesh Mehra, Banswara Syntex Ltd.
7. Shri Ambuj Kasliwal, M/s.Shree Ram Textile Mills (P) Ltd.
8. Shri Aziz Valiulla, M/s. Kausar Textiles
9. Shri Praveen kumar S. Sath, M/s. Shreekrishna Dyeing & Printing works
10. Shri Subhash Goyal, M/s.Mahendra Cotton Mills Pvt.Ltd.
11. Shri Ashish Mahajan, M/s.Mahajan Textile Finishers (P) Ltd.
12. Shri Manoj Agarwal, M/s.Shubhalakshmi Polyesters Ltd.

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

The AGM commenced at 2.30 p.m. after the adjournment of the meeting for half an hour for want of quorum by the Chairman. As the required quorum was not present even after the adjournment, taking the members present as the quorum for the AGM (Article 17.4 b), the Chairman welcomed the gathering to the 65th Annual General Meeting of the Council.

**ITEM 1
NOTICE OF THE MEETING**

The Executive Director Cum Secretary read the Notice of the Meeting.

**ITEM 2
AUDITOR'S REPORT**

The Executive Director Cum Secretary read the Auditor's Report.

ITEM 3**SPEECH OF CHAIRMAN**

The Chairman, Shri Ronak Rughani welcomed the members to the 65th Annual General Meeting of the Council. He said that this year the Global growth remains subdued. The United States increased tariffs on Chinese imports and China's retaliation on US imports has impacted global economic scenario. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty continued, and rising geopolitical tensions roiled energy prices.

Global growth forecast by International Monetary Fund (IMF) for 2019 is at 3.2% and 3.5% for 2020. This projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress towards resolving trade policy differences between major economies.

Shri Rughani said that there were positive surprises to growth in advanced economies, but weaker-than-expected activity in emerging market and developing economies. Growth was better than expected in the United States and Japan, and one of the factors that had hurt growth in the euro area in 2018 (notably, adjustments to new auto emissions standards) appeared to fade as anticipated.

Among emerging market and developing economies, first quarter GDP in China was stronger than forecast, but indicators for the second quarter suggest a weakening of activity.

The Chairman said that the Indian GDP grew at its slowest pace in five years at 6.8% in 2018-19. Growth rate further slipped to 5% in the first quarter of current financial year. The sector wise decline in GDP was due to poor performance of manufacturing sector, agriculture, mining, electricity, and services. Global textile & clothing (T & C) trade has grown by 6.21% in 2018 as compared to 2017 and global MMF and MMF blended textiles trade has grown by 6.44% during the year vis-à-vis the previous year. World trade of textile & clothing (T & C) has been growing at a CAGR 4.12% during last 10 years and reached US\$ 837.4 bn in 2018. CAGR rate in the clothing segment was 4.28% while in the textile segment last 10 years CAGR was 3.9%. CAGR rate witnessed during the last 10 years was highest in the value added made-ups segment at 4.6%. China remains the largest textile exporter in the world with CAGR 5.14% during last ten years.

The Chairman also said that in the MMF and MMF blended textiles exports from China have grown over CAGR 9% to reach US\$ 70 billion in

2018 whereas exports of MMF and MMF blended textiles India increased by CAGR 6.1% during last ten years to reach US\$ 6.2 billion in 2018-19.

In 2018 total global fibre production was 111.3 million tons that increased about 10% as compared to the previous year. The share of natural fibers in world fiber production fell from 41% in 2008 to less than 30 per cent in 2018. Global Manmade fibre production was 79.1 million tons in 2018 witnessing a growth of 11.5% compared to the previous year.

Shri Rughani said that World production of synthetic filament is 49.8 million tons; of this polyester filament alone is about 45 million tons. Synthetic staple production is 22.4 million tons, and production of cellulosic fibers is 6.9 million tons.

During 2018-19, exports of Indian Textiles & clothing (T & C) exports were US\$ 37.50 billion in which exports of MMF & MMF blended textiles were US\$ 6.14 billion as against US\$ 6.02 billion in 2017-18, with a growth of around 2%. Share of MMF & MMF blended textiles in total exports of Indian T & C was 16.37%.

The Chairman said that the current export scenario was not encouraging. As per latest data from DGCI&S Exports of Indian MMF textiles during the first quarter (April-June) 2019-20 were US\$ 1455.08 million against US\$ 1553.52 million achieved in the corresponding period of the previous year, witnessing a decline of 6.34%. Exports of yarns have witnessed a decline of 17.07%, made-ups have witnessed a decline of 6.21% and fibres (MMF) have also witnessed a decline of 4%. Only Fabrics exports witnessed 5.73% growth during April-June 2019-20 as compared to the same period of the previous year.

Reasons for such a decline in our exports may be because of the difficulties in compliance of the GST system, demonetization, decreasing Govt. support schemes, volatility in raw-material prices, increasing fierce global competition etc .

Shri Rughani said that he felt from his recent interactions with the Ministries that government has been very much aware of the arising situations and accordingly some support measures are under preparation, some of which such as Remission of Duties or Taxes on Export Product (RoDTEP), fully electronic refund module, etc.

The Chairman said that he had strong faith on the enterprising nature and spirits of the members. The hard work, determination and enthusiasm of the member-exporters will certainly lead to growth of exports of synthetic textiles.

Shri Ronak Rughani said that he along with his Team had several Meetings with Union Ministers viz., Shri Piyush Goyal, Hon'ble Union Minister of Commerce & Industry and Railways, Hon'ble Union Textile and Women & Child Development Minister, Smt. Smriti Zubin Irani to discuss and present before them the issues of our industry. He also took up and discussed the issues of the industry on a regular basis with the Secretaries and Joint Secretaries of these Ministries and provided them with desired inputs to address our issue

The Chairman said that some of the Major issues that he has taken up with the Government are viz., creating of good impression on Indian MMF textile industry, organisation of an Annual International event like "Textiles India" organised in 2017 comprising of all the textile segments, allow to invite buyers from developed countries under MAI assistance, continuation of MEIS Scheme, inclusion of MMF Fabrics, Yarns and Fibres in the RoSCTL Scheme to reimburse the embedded taxes & levies over and above the MEIS rates, inclusion of Manmade Fibres, MMF Yarns under the Interest Equalisation Scheme, introduction of dedicated Schemes for the Manmade fibre and Filament segment in line with Cotton, Jute, Silk, etc., strengthen ATUFS for Manmade fibres and Filament yarns, rectifying the prolonged GST anomalies especially the Inverted Duty Structure due to which the industry is not able to factor in the duties paid on input services in the calculation of ITC and not able to take ITC refund on duties paid in procurement/import of capital goods, etc.

The Chairman said that he also met Shri P. Raghvendra Rao, Secretary, Dept. of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers and discussed with him on Strengthening ATUFS for Manmade fibres, Filament yarns and Introduce Schemes for the Manmade fibre and Filament segment in line with Cotton, Jute, Silk, etc. The Secretary, Chemicals & Petrochemicals appreciated our inputs and based on our meetings with the Secretary, the Dept. of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers had called an inter-ministerial Meeting with Ministry of Textiles and Ministry of Commerce and Industry in early August to discuss the issue.

Shri Rughani said that being one of the Members on the Board of Trade, he attended the Board of Trade Meeting chaired by the Hon'ble Union Minister of

Commerce & Industry and Railways Shri Piyush Goyal and have taken up the above mentioned issues with the Minister during the BoT Meeting. Based on the BoT Meeting discussions, the Department of Commerce, Ministry of Commerce & Industry has recently issued an Office memorandum requesting views and inputs from the EPCs regarding organisation of an Annual International event like “Textiles India” organised in 2017 comprising of all the textile segments. He said that he was confident that such events if organised regularly will create greater awareness and change the global impression about our textile industry and as a result will help in boosting our exports.

The Chairman informed that the Council has successfully organised “Source India 2019” in Mumbai where over 100 Indian textile companies displayed their latest range of Indian textiles items at Bombay Exhibition Centre from 21st to 23rd August 2019. 170 Foreign buyers from 40 countries visited the Event. Shri Prem Kumar Kataria ji, Additional Secretary, Ministry of Textiles inaugurated the show. The event received overwhelming response and all the participating companies are happy and have given positive feedback. Source India 2019 has been the leading Manmade fibre textile fair in India.

During 2018-19 the Council participated in Hong Kong Fashion Week from 9 to 12 July, 2018, Texfusion in UK from 31st October to 1st November, 2018, Expotextil in Peru from 8 to 11 November 2018, Colombiatex from 22 to 24 January 2019 and Morocco Fashion & Tex from 28 to 31 March 2019. As part of our Export Promotional Programme during 2019-20, SRTEPC has already participated in international events such as Texworld USA from 22 to 24 July 2019 and GOTEX Brazil from 10 to 12 September, 2019. We have received encouraging response from our participation in these events.

The Chairman said that a High Level Delegation led by then Secretary (Textiles), Shri Raghvendra Singh visited Japan from 14 to 18 February 2019. The other members of the delegation included 5 Govt. officers and 13 industry representatives from various textile segments. Our immediate past Chairman, Shri Sri Narain Aggarwal ji and myself represented the Council in the delegation. The Objective of the delegation was to discuss a road map for enhancing exports from India and collaborations in the textiles sector between India and Japan in areas of promotion & enhancement of textiles and clothing exports from India to Japan. The delegation also discussed on JVs in textile machinery manufacturing, technical textiles and quality and standards. The delegation had fruitful meetings with the department of Japanese Trade and Industry, Marubeni Corporation, Japanese External Trade Organisation, Teijin limited, etc. The Council had also organised several Seminars

on GST, Insurance & export risk management in Mumbai, Surat, Tiruppur and Erode.

Council held its prestigious annual Export Award Function on 2nd February 2019 in Hotel Taj Land's End, Mumbai. The Hon'ble Union Minister of Textiles Smt. Smriti Zubin Irani, Chief Guest at the Function gave away the awards to the exporters in recognition of their outstanding export performance for the year 2017-18.

The Chairman place on record his gratitude to Shri Piyush Goyal, the Hon'ble Finance Minister and current Hon'ble Commerce and Industry and Railway Minister for his support and guidance for the growth of Indian MMF textile segment. He thanked Shri Suresh Prabhu, then Hon'ble Union Minister of Commerce & Industry for allowing the Council to apprise the issues of the MMF textile industry and difficulties being faced by the exporters under the GST regime.

Shri Rughani took the opportunity to thank Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles for her hand holding support, guidance understanding the problems being faced by the MMF Textile Sector and the many result oriented actions taken by her to stimulate growth in textile industry and revitalize exports. He also thanked Shri Raghvendra Singh, then Secretary (Textiles) for his active guidance and support.

The Chairman welcomed Shri Ravi Capoor, Secretary (Textiles) and looked forward to his guidance and support during these difficult times for taking exports to greater heights. He also extended a warm welcome to Shri Moloy Chandan Chakraborty, Textile Commissioner on behalf of COA members of the Council and industry. Shri Rughani thanked the Textile Commissioner for understanding the MMF textile segment in a very short time. He said that Council would need his support to further strengthen the MMF textile industry.

He thanked Shri Sanjay Sharan ji who took over as the Textile Commissioner for some days and also thanked Dr. Kavita Gupta, former Textile Commissioner for her valuable guidance and support.

Shri Rughani also thanked Dr. Anup Wadhawan, Commerce Secretary for his understanding of the problems of the exporters and for the prompt action initiated by him in resolving these difficulties. He said that he was also grateful to Dr. Alok Chaturvedi, D.G.F.T and his team of dedicated officers meticulously handling the matters connected with Exim Policy and Procedures.

The Chairman thanked Shri Rajneesh , Joint Secretary, for approving various proposals sent by the Council under MAI Scheme which helped in carrying out these programmes successfully with financial support from the Government.

Shri Ronak Rughani thanked Shri G. K. Pillai, Chairman of the Drawback Committee and his team for being extremely positive to the suggestions made by the Council and said that the Council was indebted to them for having given due recognition to our Drawback Proposals and for their help and guidance especially in matters relating to Duty Drawback.

The Chairman expressed his deep appreciation to Shri Sri Narain Aggarwalji, Immediate Past Chairman for his support and professional advice. He thanked Shri Anil Rajvanshi ji, Convenor of Promotional Programmes for his timely directions and continued involvement in all the activities of the Council.

Shri Rughani also placed on record his gratitude to the former Chairmen, Members of the Committee who have spared their valuable time and contributed creatively to deliberations and activities of the Council and also for their unconditional support and valuable advice.

ITEM 4

ANNOUNCEMENT OF THE ELECTION

4.1.The Executive 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 65th Annual General Meeting is Eleven. 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.

4.2.The position of valid nominations is as follows:

I MANUFACTURERS (VACANT SEAT - 1)

Shri Harsh Bapna, M/s.Wellknown Polyesters Ltd., Mumbai

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

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

1. **Shri Ravindra Kumar Arya, M/s.Bindal Exports Ltd., Surat**
2. **Shri Shaleen Toshniwal, M/s.Sanjay Weaving Mills (P) Ltd., Punjab**

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Ravindra Kumar Arya and Shri Shaleen Toshniwal were therefore declared elected.

III. STATUS HOLDERS (VACANT SEATS - 3)

One seat RESERVED for Shri Ronak Rughani, M/s.Rughani Brothers, Mumbai, being the Chairman of the Council according to Article No.27.7(d) of the Articles of Association and as per COA Meeting held on 2nd August, 2019.

Hence vacant seats : 2

1. **Shri Nareshkumar C Jain, M/s.Siddhachal Textile Pvt.Ltd., Mumbai**
2. **Shri Ajay Sardana, M/s. Grasim Industries Ltd., Vadodara**

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Nareshkumar C Jain and Shri Ajay Sardana were therefore declared elected.

IV. OTHERS - (MERCHANT- EXPORTERS) (VACANT SEATS - 2)

1. **Shri Ahmed Abdul Sattar Khatri, M/s.Yasmeen Silk Corporation, Mumbai**
2. **Shri Bhavik P. Rughani, M/s.Shreeji Traders, Mumbai**

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Ahmed Abdul Sattar Khatri and Shri Bhavik P. Rughani were therefore declared elected.

V. OTHERS- (GENERAL) (VACANT SEATS - 3)

Shri Dhiraj Raichand Shah of M/s. Shahlon Silk Industries Limited, Surat, being the Vice-Chairman of the Council, seat was reserved according to Article No.27.7(d) of the Articles of Association and as per COA Meeting held on 2nd August, 2019.

Hence vacant seats : 2

1. Shri Sailesh Goenka, M/s. P.D.Impex, Mumbai

2. Shri Bhalesh R. Mehta, M/s. Rachna Art Prints Pvt. Ltd., Surat

Since there were only two candidates against two vacant seats, Election was not held for this category. Shri Sailesh Goenka and Shri Bhalesh R. Mehta were therefore declared elected.

ITEM 5

i. APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2018-19

With regard to the adoption of the Annual Report, the following Resolution was unanimously adopted which was proposed by Shri Shaleen Toshniwal of M/s. Sanjay Weaving Mills (P) Ltd. and Seconded by Shri Ashish Mahajan of M/s. Mahajan Textile Finishers Pvt. Ltd..

“RESOLVED THAT THE ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION FOR THE YEAR ENDED 31ST MARCH, 2019 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,2019.

With regard to the adoption of the Balance Sheet and Income & Expenditure Account and Cash Flow Statement for the year ended 31st March, 2019 the following Resolution was unanimously adopted which was proposed by Shri Subhash Chand Goyal of M/s. Mahendra Cotton Mills Pvt. Ltd and Seconded by Shri Shaleen Toshniwal of M/s. Sanjay Weaving Mills (P) Ltd.

“RESOLVED THAT THE AUDITED BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT AND CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 BE AND ARE HEREBY APPROVED AND ADOPTED”

ITEM 6

APPOINTMENT OF AUDITORS FOR THE YEAR 2019-20

The following Resolution for appointment of auditors for the year 2019-20 which was proposed by Shri Aziz Valiulla of M/s. Kausar Textiles and seconded by Shri Manoj Agarwal of M/s. Shubhalakshmi Polyesters Ltd. was unanimously passed.

“RESOLVED THAT M/S. N.P. 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. 60,000/- (Sixty Thousand only) PER ANNUM PLUS APPLICABLE TAXES.”

ITEM 7

VOTE OF THANKS

The meeting ended with a vote of thanks by Shri Dhiraj Raichand Shah, Vice-Chairman.

**(S. BALARAJU)
EXECUTIVE DIRECTOR CUM SECRETARY**

ANNEXURE- IList of Members who attended the Annual General Meeting of the Council held on 28th September, 2019.

1. Shri Sri Narain Aggarwal, M/s. Prafful Exports
2. Shri Anil Rajvanshi, M/s. Reliance Industries Ltd.
3. Shri Ronak Rughani, M/s.Rughani Brothers
4. Shri Dhiraj R Shah, M/s.Shahlon Silk Industries Ltd.
5. Shri Shaleen Toshniwal, M/s. Sanjay Weaving Mills (P) Ltd.
6. Shri Rakesh Mehra, Banswara Syntex Ltd.
7. Shri Ambuj Kasliwal, M/s.Shree Ram Textile Mills (P) Ltd.
8. Shri Aziz Valiulla, M/s. Kausar Textiles
9. Shri Praveen kumar S. Sath, M/s. Shreekrishna Dyeing & Printing works
10. Shri Bhavik P.Rughani, M/s. Shreeji Traders
11. Shri Subhash Goyal, M/s.Mahendra Cotton Mills Pvt.Ltd.
12. Shri Ashish Mahajan, M/s.Mahajan Textile Finishers (P) Ltd.
13. Shri Manoj Agarwal, M/s.Shubhalakshmi Polyesters Ltd.
14. Shri Ravi Sanghai, M/s.Horizon Exports
- 15.. Shri Gopal Satpal, M/s.Sunrise Export
16. Shri B.R.Jain, M/s.Pee Vee.Textiles Limited
17. Shri Shri A.Khan, M/s. Goolab Khan Peer Khan Co.
18. Shri Nalin N Shah , M/s. S.R. Exports
19. Shri Gokul, M/s. Shrijee Lifestyle Private Limited
20. Shri Ashraf Khan, M/s. Fashion Square
21. Shri Akram Khan , M/s. Fashion Square
22. Shri Yashir Khan, M/s. Fashion World
23. Mohd. Afzal Khan, M/s. Fashion World
24. Mr.Pinaki Ranjan Das, M/s. Ananya Texprochem