



सिन्थेटिक तथा रेयन वस्त्र निर्यात सम्वर्धन परिषद
The Synthetic & Rayon Textiles Export Promotion Council

Ref : SEC/AGM/199

6th October, 2016

TO MEMBERS OF THE COUNCIL

Dear Sirs,

Record note of the Annual General Meeting

We are sending herewith the Record Note of the Proceedings of the 62nd Annual General Meeting of the Council held on Friday, 16th September, 2016 at 2.30 P.M. in the Panorama Hall, Ambassador Hotel, Churchgate, Mumbai, for your information.

Thanks,

Yours faithfully,


V. ANIL KUMAR
EXECUTIVE DIRECTOR CUM SECRETARY

Encl : a/a



Resham Bhavan, 78, Veer Nariman Road, Mumbai 400 020, India.

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The Synthetic & Rayon Textiles Export Promotion Council

RECORD NOTE OF THE PROCEEDINGS OF THE 62ND ANNUAL GENERAL MEETING OF THE COUNCIL HELD ON FRIDAY, 16TH SEPTEMBER, 2016 AT 2.30 P.M. IN THE PANORAMA HALL, THE AMBASSADOR HOTEL, CHURCHGATE, MUMBAI – 400 020

PRESENT:

1. Shri Anil Rajvanshi, Chairman, SRTEPC
2. Shri Sri Narain Aggarwal, Vice-Chairman, SRTEPC
3. Shri Ganesh Kumar Gupta, M/s. VSH Silk Mills Ltd.
4. Shri Ambuj Kasliwal, M/s. S.Kumars Nationwide Ltd.
5. Shri Aziz Valiulla, M/s. Kausar Textiles
6. Shri Praveen kumar S. Sadh, M/s. Shreekrishna Dyeing & Printing works
7. Shri M.L.Jhunjhunwala, M/s.RSWM Ltd.
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 Vinod Kumar Singal, M/s. AakashTextiles Exports Pvt.Ltd.
12. Shri Sailesh Goenka, M/s. P.D. Impex
13. Shri Vijay Puri,Vijay Fabrics (P) Ltd.
14. Shri Shaleen Toshniwal, M/s. Banswara Syntex Ltd

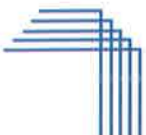
(The Complete list of those present at the AGM given in Annexure-I)

The AGM commenced after adjournment of the meeting for half an hour for want of quorum by the Chairman.

ITEM 1

NOTICE OF THE MEETING

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



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ITEM 2**AUDITOR'S REPORT**

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

ITEM 3**SPEECH OF CHAIRMAN**

3.1.The Chairman, Shri Anil Rajvanshi welcomed all the members to the 62nd Annual General Meeting of the Council. He thanked all the members of the Council for their wholehearted support and cooperation and expressed his gratitude to those who attended the AGM despite their busy schedule. He urged the exporters for their active involvement in all the initiatives of the Council. The Chairman said that their valuable guidance will further strengthen the Council in these challenging times. He assured them that with the concerted efforts of all concerned, the Council shall be able to resolve the issues confronting the Man-made fibre textile sector.

3.2.Shri Anil Rajvanshi informed that the Government is making all efforts to ensure GST roll out by early,2017. In view of this, the Chairman said that the Council and its members must be prepared for meeting the emerging challenges. He said that he was sure that this would be a task well taken up for the long-term benefits of both, the industry and the Country, if implemented as envisaged in a seamless way. The textile industry must keep abreast with the developments of the GST, especially on the GST rate and follow up on various guidelines.

3.3.The Chairman drew the attention of the members that in the Budget 2016, Government had initially allowed duty free import of fabrics equal to 1% of exports to Garment exporters without any nexus. Further, in the recently announced incremental Textile Policy, Apparel Industry has been granted special package of incentives of Rs. 6,000 Crore, out of which Rs. 500 Crore is towards labour cost and remaining Rs. 5,500 Crore towards concurrent availment of Advance Licence Scheme (ALS) and Duty Drawback Scheme (DBK). In addition, Drawback on State taxes is also allowed under the Scheme.

3.4..Shri Anil Rajvanshi mentioned that in these difficult times of contraction in global trade and declining demand, it is imperative to adopt a holistic policy prescription that ensures growth and development of the entire textiles sector extending to all the value chains and value added segments of this important sector. A segment-centric policy intervention, though intended for employment and enhancing exports, could do more harm to important upstream segments like fabrics, yarn and fibre, which also cater to livelihood crucial to millions. Hence, the earlier the damage is controlled, the better for the Textile industry of India, which is reeling under global trade lull since long.

3.5. The Chairman cautioned that allowing imports of fabrics at the cost of the domestic industry would be fatal, especially since more than 90 % of the manufacturing segments are operating on feeble margins. This will aggravate the sufferings of weavers who are already facing the onslaught of cheap imports of fabrics from China for the last two years. The special dispensation on use of Advance Licence concurrent with availment of Duty Drawback benefit will disturb the level playing field vis-a-vis import and poses a threat to the local manufacturers of Fabric, Cotton & Synthetic. Import under advance license is duty free. The largest beneficiary of such import policy would be Pakistan and China.

3.6. Shri Anil Rajvanshi said that the option of buying Fabric from the domestic manufacturers without the burden of embedded State duties in the price is also available under the Advance License Scheme as Deemed Export transactions. Thus local fabric manufacturers, under the Deemed Export transaction will be able to offer fabric at export prices. In either case, whenever Advance License is availed, concurrent availing of benefit under DBK is not allowed.

3.7. The Chairman drew the attention of Members on the continuous decline of exports. He said that exports of MMF textiles during the period April-August 2016 witnessed a further slump of 12%, which is very disturbing as the fall is drastic in all the segments. He said that he was certain the Government will take serious policy decisions to reverse the situation and give exports a further boost.

3.8. Shri Anil Rajvanshi, Chairman said that the Council as part of its promotional programme organize participation in various international trade fairs as well as standalone exhibitions exclusively organized by the Council. He mentioned that, the Council has taken initiative at the instance of MOC and MOT to participate in the Federal Trade Fair for Apparel and Textiles (TEXTILLEPROG) in Moscow, Russia during 20th-23rd September 2016. The Council has in the past, participated in the Fair, which has helped participating companies in gaining a foothold in the Russian market. In this event thirty-six companies of the Council will be participating in the Fair. He observed that Russia is one of the immensely potential and fast growing textile & clothing markets in the world especially for MMF textiles. Moreover, the changing world scenario this year with China losing its position as the world's leading textile manufacturer and Russia's strained relationship with Turkey, has opened up avenues for other countries including India. Considering the importance of the fair, the Government is also planning to lead a delegation to encourage enhanced trade relations with the Textile business fraternity of both India and Russia. He said the Fair will help further boost exports of MMF textiles to Russia and the participating companies will be successful in forging fruitful business dealings at the event.

3.9. The Chairman said that 2015-16 has been an eventful year for the Council. For the first time the Council could come out with a members' Directory, which he thought that each member should proudly possess a copy. He mentioned that the Membership of the Council has reached more than 5000 during the year, which is

encouraging. He also said that the Ministry had set a target of US\$ 7 billion for the year 2016-17 for MMF Textiles sector; but the Council has urged the Ministry to bring it down to US\$ 6 billion. He assured the members that whenever the Council prepares the promotional programmes it will be prepared keeping in mind that most of the members of the Council are MSME exporters and their requirements are different.

3.10. The Chairman informed the members that "Source India", Surat (RBSM) organized by the Council during 13-14 August, 2016 was a successful event. The Council had invited 100 buyers and 100 members participated in the event. The Council has plans of organizing the RBSM every year but it is not necessary the Ministry of Textiles gives its approval to hold the same. He said that still the Council will try to hold the RBSM in Surat at least for 2-3 times continuously.

3.11. Shri Anil Rajvanshi informed the members that the Council has completed the E-voting process for approval of carrying out some more amendments in Articles of Association.

3.12. He said that the National Textile Policy is proposed to be announced on 6th October, 2016 and will come into effect from January, 2017. The Chairman said that the Ministry is also considering setting up of a Centre of Excellence for MMF Textiles and urged the cooperation of all for its realization. He said that the much required product development cell for MMF Textiles can be started in the Centre of Excellence.

3.13. The Chairman, Shri Anil Rajvanshi urged the members for making frequent visits to the Ministry of Textiles, as it will help to discuss our issues and concerns with senior Officials. He said the meeting would help make our presence felt like other EPCs and also result in participatory policy making which is the need of the hour for a dynamic and export oriented sector like Man-made Fibre Textiles which has a bright future ahead.

ITEM 4

ADDRESS BY THE CHIEF GUEST

4.1. There was no Chief Guest for the AGM.

ITEM 5

ANNOUNCEMENT OF THE ELECTION

5.1. 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 62nd Annual General Meeting will be Eight. Three more additional vacancies arise as per the

amended Articles of Association, making the number of elected members in COA increased from 20 to 23. Thus the total number of vacant seats in the COA are 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.

5.2. The position of valid nominations is as follows:

I. MANUFACTURERS (VACANT SEAT -1)

1. Shri Shaleen Toshniwal. M/s. Banswara Syntex Ltd., Mumbai.

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

2. S.S.I. (SMALL SCALE INDUSTRIES) (VACANT SEATS - 2)

1. Shri Ravindra Arya, M/s. Bindal Exports (P) Ltd., Surat

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

3. STATUS HOLDERS (VACANT SEATS - 3)

1. Shri S.K.Khandelia, M/s. Sulej Textiles & Inds.Ltd., Mumbai
2. Shri Ronak K.Rughani, M/s. Rughani Brothers, Mumbai
3. Shri Anil Kumar Gupta, M/s.Wellknown Polyesters Ltd., Mumbai

Since there were only three candidates against three vacant seats, Election was not held for this category. Shri S.K. Khandelia, Shri Ronak K. Rughani and Shri Anil Kumar Gupta were therefore declared elected.

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

1. Shri Ahmed Abdul Sattar Khatri , M/s.Yasmeen Silk Corporation, Mumbai
2. Shri Sailesh Goenka , M/s.P.D.Impex, 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 Sailesh Goenka were therefore declared elected.

5. OTHERS - (GENERAL CATEGORY) (VACANT SEATS- 3)

1. Shri Dhiraj Raichand Shah, M/s.Fairdeal Filaments Ltd., Surat
2. Shri Bhalesh R.Mehta, M/s. Rachna Art Prints Pvt.Ltd.,Surat
3. Shri Sanjay Kumar Verma, M/s.Grasim Industries Ltd, Vadodara

Since there were only three candidates against three vacant seats, Election was not held for this category. Shri Dhiraj Raichand Shah, Shri Bhalesh R. Mehta and Shri Sanjay Kumar Verma were therefore declared elected.

ITEM 6

i. APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2015-2016

6.1. With regard to the adoption of the Annual Report, the following Resolution was unanimously adopted which was proposed by Shri M.L. Jhunhunwala of M/s. RSWM Ltd. and Seconded by Shri Gulam Mohamed of M/s. S.K. Exports.

“RESOLVED THAT THE ANNUAL REPORT OF THE COMMITTEE OF ADMINISTRATION FOR THE YEAR ENDED 31ST MARCH, 2016 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, 2016.

6.2. With regard to the adoption of the Balance Sheet and Income & Expenditure Account and Cash Flow Statement for the year ended 31st March, 2016 the following Resolution was unanimously adopted which was proposed by Shri Vinod Kumar Singal of M/s. Aakash Textiles Exports Pvt. Ltd. and Seconded by Shri Satish Agarwal of M/s. Topman Exports Ltd.

“RESOLVED THAT THE AUDITED BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT AND CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 BE AND ARE HEREBY APPROVED AND ADOPTED BY THE COMMITTEE OF ADMINISTRATION.”

ITEM 7

APPOINTMENT OF AUDITORS FOR THE YEAR 2016-17

7.1. The following Resolution for appointment of auditors for the year 2016-17 which was proposed by Shri Vijay Puri of M/s. Vijay Fabrics Pvt Ltd. and seconded by Sailesh Goenka of M/s. PD Impex 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 SERVICE TAX.”

ITEM 8**APPROVAL OF EXCESS EXPENDITURE FOR THE YEAR 2015-16**

8.1. The following Resolution approving the excess expenditure incurred during the year 2015-16 which was proposed by Shri Ambuj Kasliwal of M/s. S. Kumars Nationwide Ltd. and seconded by Shri Aziz Valiulla of M/s. Kausar Textiles was passed:

" RESOLVED THAT THE EXPENDITURE INCURRED IN EXCESS OF THE BUDGET ESTIMATES FOR THE YEAR 2015-16 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**FURTHER AMENDMENTS IN THE ARTICLE OF ASSOCIATION OF THE COUNCIL**

9.1. The following Resolution in connection with the amendment of the Articles of Association was put for e-voting. The Executive Director Cum Secretary while announcing the results said that out of the sixteen members who have voted; Fifteen members have voted in the affirmative while there was one negative voting. As majority of the members have voted in the affirmative the following Resolution for adoption of the Amended Articles of Association was passed:

"RESOLVED THAT pursuant to Section 14, 114 and 117 of the Companies Act, 2013 and other applicable provisions and sections, if any, of the Companies Act, 2013, the three Regulations contained in the existing Articles of Association of the Council, be and are hereby replaced with the amended 3.2, 4.1 and 27.2 of Articles of Association of the Council, be and are placed before the meeting and duly initiated by the Chairman for the purpose of identification and that the Regulations be incorporated in the Articles of Association of the Council and shall be binding on the members of the Council and others and shall be effective from 16th September, 2016."

"FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, Chairman of the Council be and is hereby authorized, on behalf of the SRTEPC, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolutions along with filing of necessary E-forms with the Registrar of Companies, Mumbai."

10.1. The Executive Director before inviting the Vice-Chairman to propose a vote of thanks expressed satisfaction that the Council has crossed the 5000 membership mark and said that it is the Council's endeavor to further strengthen its membership base and requested every member to encourage exporters to become Council's member.

10.2. The Executive Director also said that the textile industry is gearing up for the GST which will come into force by April, 2017. He assured the members that the council will look into the implications of GST to the Textile Industry, especially MMF textiles and take up the problems that may be faced by the exporters in this regard with the Ministry.

10.3. In this connection Shri Ganesh Kumar Gupta enquired as to what the Council has proposed for the MSME and Small Scale sector. He said that under the GST law, a company has to pay tax first and then get reimbursement. Shri Gupta said that the facilities currently availed by the export sector should continue as it faces stiff competition with countries where the transaction cost is much lower. He said that all the Export Promotion Councils should debate on the GST, so as to get clarity on the issues likely to be faced by the exporters; as any ambiguities in this regard may impact the exports badly.

10.4. Shri Anil Rajvanshi said that the Council had earlier sent a representation to Govt. that textile sector should have no exemptions and the entire value chain from raw materials to finished product should fall under one GST rate. He said that the exemption given in 2004 had distorted the tax structure and such repetitions should not be done in the GST. He urged Shri Ganesh Kumar Gupta to send a note on his concerns regarding the GST to the Council at the earliest, so that the same can be taken up with the various ministries.

VOTE OF THANKS

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


(V. ANIL KUMAR)
EXECUTIVE DIRECTOR CUM SECRETARY

ANNEXURE- I

List of Members who attended the Annual General Meeting of the Council held on 16th September, 2016.

1. Shri Anil Rajvanshi, M/s. Reliance Industries Ltd
2. Shri Sri Narain Aggarwal, M/s. Prafful Exports
3. Shri Shaleen Toshniwal, M/s. Banswara Syntex Ltd
4. Shri Ganesh Kumar Gupta, M/s. VSH Silk Mills 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 Vinod Kumar Singal, M/s. AakashTextiles Exports Pvt.Ltd.
12. Shri Sailesh Goenka, M/s. P.D. Impex
13. Shri M.L.Jhunhunwala, M/s.RSWM Ltd.
14. Shri Vijay Puri, Vijay Fabrics (P) Ltd.
15. Shri Ritesh Porwal, M/s. Navkar Exports
16. Shri Ravi Mehra, M/s.Aakash Textiles
17. Shri Bhadresh Dodhia, M/s.Dodhia Synthetics Ltd.
18. Shri Ashish S, M/s. RSWM Ltd.
19. Shri Nirmal Dubey, M/s.Handsome's India
20. Shri Gaurav V. Dubey, M/s.Handsome's India.