

## **MINUTES OF THE SECOND VIDEO CONFERENCE MEETING – PANEL - I**

**Minutes of Second Video Conference Meeting (Google Meet) of CHEMEXCIL, Panel-I (Dyes and Dye Intermediates) organized by Council on Monday, the 26<sup>th</sup> October, 2020 at 11:30 AM under the Chairmanship of Dr. Shavak Bhumgara (Chairman - Dyes & Dye Intermediate Panel - Chemexcil).**

**Below Agenda** points were discussed during the meeting

1. To confirm the minutes of the last Panel meeting dated 10<sup>th</sup> June 2020.
2. Review of Export performance (April to August-2020)
3. Trade related issues with regards to Panel - I items.
4. Appraise on submission of Atmanirbhar Bharat Strategy report to Department of Commerce.
5. Any other issue with permission of the Chair.

**Dr. Shavak Bhumgara** (Chairman - Dyes & Dye Intermediate Panel) welcomed all the participants.

Mr. Prafulla Walhe, Dy. Director pointed out the above agenda points for discussion.

### **1. To confirm the minutes of the last Panel meeting dated 10th June 2020.**

The minutes of the last panel Meeting dated 10<sup>th</sup> June 2020 were approved unanimously by the members in the meeting.

### **2. Review of Export performance (April to September-2020)**

Dr. Shavak Bhumgara informed that though the exports of Dyes and Dyes Intermediate has reduced by -26.73 % but the business has recovered by almost 70 % as compared to previous months. This is a good sign. Growth rate is negative in the Dyes where as in Dyes Intermediates it is not much. This indicates that the Dyes Intermediates (which are manufactured in India) are consumed domestically to the extent of 80-90%. Since we consume our own intermediates the Dyes export performance will improve in future.

Mr. Ankit Patel informed that this sector has recovered in the past 5 months and will be recovered further by December 2020 or latest by March 2021.

Mr. Bhupendra Patel raised the point for making a representation to the officials for the increased MEIS incentive Scheme. Mr. Ajay Kadakia informed that, this point will be taken for a meeting with the Hon Commerce Minister and is a part of meeting agenda

to get a clear indication for the MEIS applications for the period of April to August, as currently the applications are not accepted and also to seek assurance from the Government whether the industry will be getting the benefits for MEIS schemes in future or not? The timelines and modalities of which will be discussed later.

Mr. Ankit Patel suggested that we should share the current scenario of the negative growth of -26.73% in this sector to the government and ask for an increase in export incentives in lines with China.

Mr. Ajay Kadakia added to this that the overall export performance across all the Sectors (viz. Textile, Pharma etc.) is good or is getting better including the Chemical Sector. Also the issue is not majorly with the Commerce Ministry but with the Finance Ministry as the proper budget is not allocated by them.

Mr. Deepak Gupta informed that a proper representation was already submitted to the **to the Honorable Commerce Minister** on 3<sup>rd</sup> September and in each meeting chairman Shri Ajay Kadakia highlighted the MEIS Claims for the period, April to August.

Dr. Shavak Bhungara suggested that with focus on the idea for overall increase in export, other than the MEIS benefits, we should also seek support from Government on the policy level like expansion of existing Industry where EC should be granted quickly, licensing, availability of land etc.

Mr. Ramesh Ghatnekar appreciated the current online GSP certification process.

### **3. Trade related issues with regards to Panel – I.**

Mr. Ramesh Ghatnekar informed that many small companies are facing the issue of refund of GST on the exports that they made.

Dr. Shavak Bhungara suggested that it could be handled by an online LUT (Legal Undertaking) application.

Mr. Ankit Patel requested all the members to give feedback on the issues like the current Shipping issue (Container unavailability, Vessel issue, and booking issue) which is a serious issue currently.

Mr. Deepak Gupta informed that a council had issued a Circular to all the members on 21<sup>st</sup> October 2020 stating that council received feed-backs from the members citing difficulty in getting container bookings for their export shipments even after a surge in

the freight rates leading to missed sailings and possible loss of export business. To take up this issue with DoC/ Logistics Division/ DG Shipping, council requested the concerned members to provide some details of such issues faced, if any in desired format. The council was in receipt of issues from 35 members in total and 15 out of them were from Panel I. Council has already taken an action on the same sending the representation to the Hon Commerce Minister, Logistics division & DG, Shipping on 23<sup>rd</sup> October 2020. The said representation was also copied to Dr. Anup Wadhawan, IAS, Commerce Secretary, Shri Pawan Kumar Agarwal, IAS, Special Secretary, Logistics, Shri S. Suresh Kumar, IAS, Jt. Secretary-EP (CAP).

Council also requested the Government to have a stakeholder interaction with Shipping Lines to discuss the same and also stressed on the need to set up a shipping regulator to control the shipping lines. Additionally the Container issue is linked to implementation of CAROTAR and faceless assessment. A general feedback is that because of CAROTAR the import has comedown which resulted in scarcity of containers.

Mr. Ankit Patel added that other than this the issue is the proper shipping frequency. Shipping lines are deferring their shipment and even after giving confirmed bookings and the cargos are not being loaded on the vessel. This is affecting a lot of the companies, and delaying the shipment. Mr. Deepak Gupta shared that this issue is also submitted to the Government and has also requested to appoint a Shipping Regulator to address this issue.

Dr. Shavak Bhumgara suggested that the turnaround time for ships calling on ports of India should be drastically reduced from 5 to 6 days to may be 24 hours. Many major Ports in the world like Singapore, Shanghai and even Colombo have much better turnaround times than India. The discussion should be conducted with DG shipping and the concerned Department.

Mr. Parikh added that with the issue of Container unavailability, shipping schedule getting delayed there is also issue of increase in freight rate, to which Dr. Bhumgara said that basically it's the demand & supply issue.

Mr. Prafulla Walhe informed that the council has received an issue of Egyptian customers requiring Invoice and Certificate of origin to be endorsed by the Egyptian embassy in India. The Egyptian embassy in India is charging a high amount of fees for this endorsement. Mr. Deepak Gupta added that for the past two years such issues have been presented with the FT (WANA) division without any outcome and we will again take it up.

Mr. Parikh shared that there is a need to increase Container train frequencies from Ahmedabad to Bangladesh. This train is full at Ahmedabad itself and there is no scope to pick up any extra cargo on any interim station. It was suggested that the frequency of trains be increased to at least 5 times a week.

Dr. Shavak Bhumgara acknowledged and emphasized that a representation on overall infrastructure development and train frequency should be made to the Government. Good infrastructure will lead to better export. He also requested Mr. Parikh to share these points in detail via email to the council.

#### **4. Appraise on submission of detailed report to Department of Commerce on Atmanirbhar Bharat Strategy.**

Mr. Deepak Gupta shared that the Atmanirbhar Report was submitted to DCPC, Hon Chemical Minister, Hon Commerce Minister & other Officials on 24<sup>th</sup> September 2020 which has been acknowledged and we are awaiting feedback on the same.

Dr. Shavak Bhumgara highlighted and elaborated on the following stating the below important points

1. A dedicated industrial park for dyes and dyestuffs industry
2. Connectivity and Infrastructure
3. Selection of Industries/Suppliers of feedstock for dyes industry
4. Pollution Control issues
5. Finance related issues
6. Statutory requirement and permissions.

#### **5. Any other issue with permission of the Chair.**

Mr. Ghatnekar informed that charges levied by Indian Institute of Packaging certificate for UN Certificates for drums turn out to be very high when the quantity is small. He also suggested that there should be separate charges for the small scale industry or at least based on the quantity applied for.

Such certificates should be valid for a lifetime instead of being renewed every year.

Another point mentioned by Mr. Ghatener is the time required from making an application for the certificate to receiving the certificate is at least one month. This is too long.

Dr. Shavak Bhumgara said that apart from charges there are other procedural issues and have requested Mr. Ghatnekar and Mr. Rajan Shah to share a detailed representation to the council so that the council can take it forward.

Mr. Deepak Gupta added that during the lockdown period IIP was very active and they even extended validity for IIP's UN certification till June 2020. Regarding delays, due to IMDG Protocol for HDPE drums, IIP has to do Stack Test which requires 28 days minimum and because of which IIP requires minimum 1 month time to issue the Certification for HDPE drums.

Mr. Akash Dalwani shared that RBI has come up with a Legal Entity Identifier (LEI) which is to be renewed every year. This should be addressed as the renewal of LEI each year is a repetitive process with a cost each year. This number should be a permanent number and should not be renewed every year. Dr. Shavak Bhumgara suggested that ease of doing business is a part of a hassle free environment of the business and he also requested to send representation to Chemexcil about the issues.

Further Mr. Akash Dalwani suggested that there should be some mechanism so that they can combine Tax Collected at Source (TCS) with the TDS Return. Dr. Shavak Bhumgara stated that this exercise looked after the finance ministry, and this is a controversial issue which the council can't take up with the Government without valid justification.

Dr. Bhumgara also suggested that if we can send a joint suggestion that a combined tax return can be filed both for TCS and TDS to the Government with proper justification then only the Government can think about it.

Mr Akasah Dalwani and Mr. Rajen Shah have agreed to send the representation which will make the TCS process simpler, less burdensome to the industry which is in keeping with ease of business thrust of the government.

Mr. Parikh stated on behalf of The Gujarat Dyestuff Manufacturers' Association that the Supreme Court has given a stay order of National Green Tribunal (NGT), but the stay order is still not implemented by the Gujarat Pollution Control Board. He proposed council to organize a meeting with CPCP, GPCB about this issue. Dr. Shavak Bhumgara suggested that after approval from the Chairman Shri Ajay Kadakia council can organize this meeting. As Chairman Chemexcil is well aware of this subject and he only can decide on this.

Dr. Shavak Bhumgara asked participants, is there any other issue to be discussed in this meeting? And since there were no other issues pending Dr. Shavak Bhumagara concluded the meeting thanking all the participants for sparing their time and sharing their views and suggested members to send their recommendation to the council directly.