**THE MINUTES OF THE FOURTH VIDEO CONFERENCE MEETING – PANEL – I**

**The Minutes of Fourth Video Conference Meeting of CHEMEXCIL, Panel-I (Dyes and Dye Intermediates) organized by Council on Tuesday, the 10th August, 2021 at 11:00 AM on Google Meet under the Chairmanship of Dr. Shavak Bhumgara**(Chairman - Dyes & Dye Intermediate Panel - CHEMEXCIL).

The **List of participants** from the Industry is attached herewith.

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

The agenda points were taken up for discussion.

1. **To confirm the minutes of last Panel meeting dated 9th April, 2021.**

The minutes of the **last panel Meeting** were approved unanimously by the members in the meeting.

1. **Issues and action taken for last PANEL-I meeting dated 9th April-2021**

A comment was made by Dr. Shavak Bhumgara that most of the major issues like MEIS claims and RODTEP rates were discussed in earlier meetings and are still pending. He suggested that Chemicals falling under our panel should be included under the PLI scheme.

The Issue of exorbitant Container and Freight Charges continues to be a problem and therefore a regular train service to Bangladesh will help in eliminating this problem at least for our neighboring country

A clarification was requested on Amendment of IGST Section 16. Mr. Deepak Gupta explained that currently for claiming IGST refunds there are two ways. The first way is to pay IGST, export the goods and export claim the IGST refund from Customs. The second way is to export the goods with LUT and claim (the input tax credit) ITC refund from GST offices. So there was a proposal in Budget that IGST refunds will be available to limited categories but there is no full clarity on this.

Mr. Ankit Patel mentioned that we can suggest some categories (ITC or IGST) for refund to the government to which Mr. Deepak Gupta said that it’s better to keep it at Exporters discretion to decide how to claim the refunds under which category.

Additionally after the budget almost every trade body had raised their concern and represented it to the Finance Ministry and hence it’s believed that the categories are not announced because of this.

Dr. Shavak Bhumgara requested Immediate Past President Mr. Ajay Kadakia to share his views on the MEIS & RODTEP rates issue, Mr. Ajay Kadakia responded that at present the industry is at the mercy of the government and it seems that the government has no budget for passing on these benefits to the industry, it was also suggested by us to the government to have a system to give a scrip with which an advance can be taken from the banks, so the cash flow problem can be resolved, but there is no response on this so far. As far as RODTEP is concerned there has been discussions going on between Finance and Commerce Ministry regarding the final amount of the funds to be allotted.

Mr. Deepak Gupta added that regarding the suggestions for Scrips, this agenda was taken up in a recent meeting with DGFT where other trade bodies were also present in the month of July, where DGFT was seeking inputs on the modalities for disbursing the benefits and it was suggested that MEIS calims upto Rs. 10 lacs should be cleared directly and for larger amount the Post Dated Scrips model can be put in place but still there is no further clarity on this.

Dr. Shavak Bhumgara commented on the Issue of Container and Freight Charges whether it will be resolved or not as these are foreign lines and the Government of India may also not be able to do anything as it is not in their control. Mr. Deepak Gupta added that it is speculated that these foreign lines a purposefully sending smaller containers to India and hence increasing the demand and freight rates and the EPC’s and Government is kind of helpless in this issue.

Mr. Ankit Patel shared that if the Government of India cannot do anything in this matter than what can the exporters expect from the Government. Mr. Ajay Kadakia added that the Freight Rates issue is a concern not in India only but globally, in USA since the laws are different then India the companies there have gone against the Shipping Lines in Court and are seeking a resolution on the freight charges. Also this issue is almost since past nine months and he advised that the best option is to quote on FOB which he feels is a way out in current situation and also globally the companies have started accepting the FOB Quotes. Dr. Shavak Bhumgara added that the freight charges are not high in some countries like China, Indonesia & Thailand and these markets could be explored by the exporters for their business.

1. **To review the Export performance of PANEL-I items. (Period April-June-2021)**

Dr. Shavak Bhumgara commented that the export performance is same as it has been in previous years and the growth is stagnant. He said that we should focus and brainstorm on how to increase our exports and also think on what to ask from government which they can provide and aid in increasing the exports.

Mr. Bhupendra Patel added that the exports have increased this year vis a vis last year mainly because there was pandemic effect-COVID effect felt most last year- and this year the effect was less -hence such growth figures.

Dr. Shavak Bhumgara also added that if we want to increase export then we need to increase the manufacturing base, he quoted that “we cannot export what we cannot manufacture”. To increase manufacturing we should list out the issues and action points which are more policy oriented rather than demand any fiscal benefits from the Government. Another long pending issue is if an exporter wants to change his product mix, as per current norm they have to wait for around 1 year for approval from the MOEF. Looking at the current market which is highly dynamic there should be a quick approval process (of obtaining the EC) instead of waiting for a year for it.

Mr. Vivek Gadre seconded the idea that we should request for non-fiscal benefits from government which could be easier for the government to extend. Recently the Additional Chief Secretary, Industries and Mines Department, Government of Gujarat is considering scrapping the Rule 9 for byproduct/waste product sales, such specific action by government is what we should look forward to.

He further shared that issues like, Storage Licenses or licenses to buy things like Methanol, Spirit etc the current procedure is quite cumbersome and so if we list out such issues and seek resolution which will be a part of Ease of Doing Business agenda for the Government also, will itself strengthen the Indian Chemical Industry.

With reference to the Container and Freight Charges he suggested to organize a webinar/meeting with 2/3 Shipping Lines/Experts who can educate the members and can explain the situation and rather than expecting a sudden change in the situation the exporters could learn how to tackle this situation and adjust to this real situation.

1. **Trade related issues with regards to Panel - I items.**

Dr. Shavak Bhumgara commented that the issues faced by the Industry have already been listed out in previous meetings and are long pending.

1. **Update on MAI Guideline 2021**

Mr. Prafulla Walhe informed that the competent authority has approved continuation of the Market Access Initiative (MAI) Scheme in a revised form for a period of five years i.e. 1st April-2021 to 31st March-2026 to promote exports by providing financial support to MSME.

Important changes in MAI guidelines are

* SC/ ST/ Women and the exporters having f.o.b. value of exports of or less than Rs.50 crores in the preceding year, 5 times participation in particular year allowed
* The eligibility of export turnover to avail the scheme is enhanced from 35Cr to 50 Cr in preceding financial year
* Reimbursement of airfares for participation in approved international events are revised for Focus Areas to a maximum of Rs.75, 000/- and for American Continents to Rs.1, 25,000/-.
* Air fare are permissible to the regular Directors / Partners/ Proprietor or **a regular officer of the company in a senior managerial position**

Mr. Prafulla Walhe also added that that Submission of OUTCOME REPORT after the event is mandatory for exhibitors within 15 days from the date of event.

1. **Inviting Pre- Budget Proposals for the Year 2022-23**

Members were requested to share their proposals to CHEMEXCIL to take it forward

1. **To take Suggestions for the new FTP 2021-2026**

Dr. Shavak Bhumgara suggested that currently the import of material under Advance License has to be accounted separately and could be used only for the exports and not for sales in the local market. We should request for flexibility in the new FTP for use of imported materials either for export or domestic market. When duty free goods (imported against an Advance Authorization) are consumed for domestic consumption, the exporter will have to procure an equivalent amount of duty paid goods from the local market and complete his export obligation.

Secondly there should be more FTA’s signed by India with USA, CANADA & EUROPE because such FTA will help the industry expand its markets.

Mr. Deepak Gupta added that regarding the imports of material under Advance License there has been certain cases in the past where the exporter were served notices because of pre import condition. However we can request the government to look into this and have flexibility of the use of the imported materials. With reference to FTA’s CHEMEXCIL has been seeking inputs from the members whenever the government is requesting such inputs.

Dr. Shavak Bhumgara thanked the participants for sparing their time and sharing their views and suggested members to send their recommendation to the council directly and meeting ended with the vote of thanks to the chair.