

MINUTES OF THE MEETING

Minutes of First Video Conference Meeting (Zoom Meeting) of CHEMEXCIL, Panel-I (Dyes and Dye Intermediates) organized by Council on Wednesday, the 10th June, 2020 at 11:30 AM on ZOOM under the Chairmanship of Dr. Shavak Bhumgara (Chairman - Dyes & Dye Intermediate Panel - Chemexcil).

Agenda of the meeting and the **List of participants** from the Industry is attached herewith.

Dr. Shavak Bhumgara (Chairman - Dyes & Dye Intermediate Panel) welcomed all the participants and ED informed the participants that we have already completed two such VC meetings with our Panel -II & Panel-III members and commenced the discussions as per the agenda points.

1. Issue of 15% COVID Tax proposal.

Dr. Shavak Bhumgara expressed that at this hour of need, India needs to be competitive with other Countries. If 15% COVID Tax is imposed on raw materials, Indian exports of downstream products will be badly affected, since the cost of production will go up and as a result it will be difficult for Indian exporters to sustain in the Competitive global market. He further stated that in the present situation there are new opportunities and we have to be competitive to take somebody's share in global trade. Mr Haresh Bhuta, Mr Yogesh Parikh and Mr Mitesh also strongly opposed the proposal.

Mr. S.G.Bharadi, Executive Director, Chemexcil informed the participants that Council had circulated the information amongst its member exporters about the proposed 15 % Covid tax and had received inputs from more than 100 members. Majority of the members opposed the levy of 15% Covid Tax and only few members were in favour of it. Based on the feedback from members, Council had sent representations to the Ministry of

Commerce and Ministry of C&F as well as to Hon'ble MOS, Ministry of C&F, Shri Mansukh Mandaviya, strongly opposing any such proposal and the same was also opposed in various VC meetings to DCPC and DOC and letters received from Associations were also forwarded to them for their consideration. We shall keep on hammering the same.

Mr Ramesh Ghatnekar and Few other members suggested that there should be some mechanism for refund of any such tax against Advance Authorisation for exports of downstream products, since Govt is going to put some restrictions on imports from China. However, Mr. Yogesh Parikh, President, Gujarat Dyestuffs Manufacturers Association (GDMA), Ahmedabad, firmly opposed the levy of 15 % Covid tax on behalf of Dyes Industry and disagreed for accepting any mechanism if introduced for refund of Covid tax.

Mr. S.G.Bharadi, ED stated that if we impose any such tax, other Countries may also impose Tax on our exports which will adversely impact our exports.

Chairman, Mr. Ajay Kadakia, informed that the Council strongly oppose this proposal and have already taken up and discussed the matter with the concerned Ministries for their consideration. He also informed that we have also taken up the issue with the Ministries against putting ban on 27 pesticides and they have agreed to resolve this problem for exports.

2) Trade related Issues with regards to Dyes (Panel-I items)

Some members raised the issue to allow trade with Pakistan. Mr Neeraj Shah informed that it is banned by Pakistan Government which is a political issue and now in near future our Government

may not allow trade with Pakistan. Mr Kadakia informed that we met the Pakistan Minister of Trade during visit to China in November 2019, who stated that if Indian Government is interested, they can re-start trade. Mr Ankit Pated requested to take up the issue with the Ministry to start business with Pakistan.

Mr. Ramesh Ghatnekar from Mahalaxmi Chemical Works, Mumbai suggested that Digital Signature should be Compatible on MAC as now a days MAC is widely used and has requested to write to DGFT in this regard.

Mr. Ghatnekar also showed his concern regarding the charges for procuring Certificate from Indian Institute of Packaging (IIP) for UN approved drum required for packaging of Hazardous Chemicals. He stated that they need to pay big amount for getting Certificate even for sending small Samples of merely 20 to 25 kgs and if the order is not executed, the exporter has to bear the loss of amount paid for issuing such certificate.

He suggested that there should be some platform where the exporter can get UN approved drums for exporting samples at reasonable price. On this ED advised him to send detailed letter on this issue to enable us take up appropriately with IIP.

3) REACH REGISTRATION REFUND / RE-IMBURSEMENT

ED informed the participants that the limit for re-imbusement of registration charges has been increased from January 2019, including more components like data cost etc, besides registration fee. Ministry has already sanctioned approx. Rs 12 Crores against 3rd Phase of REACH registration. The amount has already been received by Council, however, could not be reimbursed due to closure of our office and work from home by the staff due to lockdown. However, we have already started to complete the

paper work and requested members to send their RTGS details and will reimburse the sanctioned amount to their accounts asap.

4) To review new opportunities for Exports for Dyes and Dye Intermediates.

There is immense disruption in supply chains due to the COVID 19 which is the matter of grave concern for the entire world. India having a larger economy needs to fill up the gaps in the global market.

Countries which had been depending on China have learnt a lesson they should have an alternative market for sourcing and India is expected to be their preferred destination. In this context on request Council had received tremendous support from the High Commission of India in different Countries and send us the data of Importers.

Mr. S.G. Bharadi referred to the Importers data received from various Indian Missions abroad which have been circulated to to all the members and requested them once again to contact the those Importers for their future export to open up the new opportunities for exports of Dyes and Dye Intermediates.

5) Future export strategy after COVID-19.

Mr. S.G.Bharadi shared export figures of products under Chemexcil's purview. The total export during April 2019 was 228.16 million and in April 2020 the export went down to 78.80 million. There is vast decline of 60% due to lockdown coz of COVID-19.

Mr. Bharadi requested the members to send their suggestion for strategies to be implemented to increase the future export post Covid- 19.

Mr. Bhupendra Patel, Regional Chairman suggested that MEIS rate should be raised to 5% to increase the export.

6) Chemexcil's participation in China Interdye Exhibition scheduled to be held from 8th- 10th November 2020 which was postponed due to COVID 19 Pandemic

Mr. S.G.Bharadi briefed that China Interdye Exhibition, initially was scheduled from 8th to 10th April 2020 and Council has booked all the stalls in Hall 1 and few stalls in Hall 2.

Due to outbreak of COVID-19 in China and other Countries, the organiser had postponed the exhibition initially to 26th -28th June 2020 and subsequently due to the global effect of Pandemic, it has been postponed to 8th - 10th November'2020 by the organiser.

Council had informed its members about the new dates of the exhibition and had received mixed responses from them about their participation in view of the prevailing situation.

Seeing the current global pandemic situation, many members want to cancel their participation in exhibition and requested for the refund of stall charges. On the other side, few members have agreed to participate if the exhibition is postponed again from November 2020 to new dates.

Mr. Ajay Kadakia assured the members that he will communicate with the organiser and will try to find out the positive solution and will inform the members accordingly.

7) Any other issue with permission of Chair

Mr. Ajay Kadakia discussed about the recent Industrial Accidents and huge fines / penalties imposed on the factory owners/entrepreneurs due to the Industrial Accidents in manufacturing plants.

Mr. Kadakia stated that despite complying with the safety norms as per industrial SOPs and taking all possible safety measures, Industrial accidents are bound to be happened in Chemical Industry.

But the Industrialist / entrepreneurs are penalized very huge amount for such accidents. Members also agreed that National Green Tribunal (NGT) should not penalise huge amount to the entrepreneurs.

Mr. Mahesh Desai on behalf of members pointed out that there is provision under Industrial Act for Industrial Accidents. He also educated the members that as per this provision a Proper investigation should be carried out and after knowing the reason of accidents, penalty can be fined as per Factory act.

Mr. Bhupendra Patel suggested that there should be compliances for NGOs to be followed if they intervene in cases of industrial accidents and only local NGO should be permitted to intervene. He requested Chairman to represent it to the concerned department.

Mr. Ajay Kadakia thanked the participants for sparing their time and sharing their views.

The VC meeting ended with the vote of thanks to the chair.