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**CAPEXIL**

**LIST OF PENDING ISSUES (PANEL WISE)**

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| **Paints, Varnish & Allied Product** |
| 1) Technology Upgradation2) Raw material3) SION norms4) Duty free import5) “Look East Policy”6) Currency fluctuation7) Duty Drawback8) VAT refund | The market demands innovative products. So, the manufacturers have to upgrade their technologies. Without upgradation in technology, the (large & small scale players) will not be able to survive. Across India’s Paints, Printing Ink and Coating Industry, around 3000 small scale players are operating and they will grow only with the assistance of Government. This industry is raw material intensive. As most of the raw materials are petroleum based, the industry benefits from softening of crude prices.  The Cost of Raw materials are an important factor as the industry is raw material intensive. Fluctuation in the prices of Titanium dioxide and Petroleum directly affect the production cost. Also, a large portion of raw materials are imported, leaving the cost factor vulnerable to exchange rate fluctuation. SION norms have been fixed only for conversion of Aluminium Ingots to Aluminium Powder. There are no norms for conversion of Aluminium scrap to Aluminium powder. The Customs Duty that exporters are paying could not be reimbursed immediately. Duty free import of solvents, resins, pigments for value added export for manufacturer-exporters Reference to the Government’s “Look East Policy” and Government should make the state apparatus more alert and active to make full use of ASIDE Schemes to improve Road conditions and upgrade other infrastructural facilities at the Land Customs Stations bordering the neighbouring states. Since dollar prices are up and rupee is going down and as a result prices of raw materials are increased, Government should give some assistance. Duty Drawback facility to be required on Industrial Grade Ultramarine Blue, Gold/Brass/Copper Bronze Powders to boost up exports VAT refunds are not forthcoming to the exporters even after five years of filing the returns. The final assessment is inordinately delayed thereby blocking high interest bearing funds of the exporters. |

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