

INDIAN FINISHED LEATHER MANUFACTURERS & EXPORTERS ASSOCIATION



Third Virtual Executive Committee Meeting
Saturday, the 27th of June 2020

Minutes of the Meeting

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The Third Meeting of the Members of the Executive Committee for the Term 2019-2021 was held as a Virtual Meeting on Saturday, the 27th of June 2020.

The following members attended the Virtual Executive Committee:

Sl. No.	Name of the Member	Name of the Company
1	Mr. K. R. Vijayan, Chairman	M/s. Good Leather Company
2	Mr. Israr Ahmed Mecca, Vice Chairman	M/s. India Shoes Exports Pvt. Ltd.,
3	Mr. P. Mohamed Yousuf, Vice Chairman	M/s. Hijaz Leathers India Pvt. Ltd.,
4	Mr. A.R. Senthil Kumar, Hony. Secretary	M/s. Rathnam Leathers
5	Mr. K. Anees Ahmed, Hony. Jt. Secretary	M/s. Kaamil Leathers
6	Mr. Salman Parpia, Hony. Treasurer	M/s. DharmseeParpia
7	Mr. P. R. Aqeel Ahmed, Chairman-CLE	M/s. Florence Shoe Company Pvt. Ltd.,
8	PadmashriDr. M. Rafeeqe Ahmed	M/s. Farida Prime Tannery
9	Mr. T. Rafeeqe Ahmed	M/s. T. Abdul Wahid & Co.,
10	Mr. Habib Hussain	M/s. A.V.T Leather & Allied Products Pvt. Ltd.,
11	Mr. M. Abdul Wahab	M/s. K.H. India Pvt. Ltd.,
12	Mr. YavarDhala	M/s. Forward Leather Coy.,
13	Mr. N. Shafeeq Ahmed	M/s. ShafeeqShameel& Co.,
14	Mr. V.P. Naimur Rahman	M/s. Nadeem Leatherware Exports
15	Mr. SateeshJadhav	M/s. Gaitonde Leather & Accessories P Ltd.,
16	Mr. V. Muthukumaran, President-ISF	M/s. TATA International Limited
17	Mr. A.G. Naser Ahmed	M/s. Naser Tanning Company
18	Mr. A. Atheeq-ur-Rahman	M/s. Habeeb Tanning Company
19	Mr. Mohamed Jahan	M/s. Jahan Leather Exports
20	Mr. C. P. Narayanan	M/s. Saroj Leathers Pvt. Ltd.,
21	Mr. Pakkar Sayeed Ahmed	M/s. Pakkar Leather Exports Pvt. Ltd.,

Leave of absence: Leave of absence was granted to the following member who could not attend the meeting:

1	Mr. M. Sreenivasulu Reddy	M/s. Overseas Leathers
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Special Invitees: The following Special Invitees graced the meeting with their presence:

1	Dr. K. J. Sreeram	CSIR – CLRI
2	Dr. Md. Sadiq	CSIR – CLRI
3	Mr. Anbumalar	M/s. P.A. Footwear Pvt. Ltd.,
4	Mr. Vasudevan	M/s. Prara Leathers Pvt. Ltd.,
5	Mr. M. S. Khaleel-ur-Rahman	M/s. Nibras Shoes Pvt. Ltd.,
6	Mr. Shamsudeen	M/s. Suede Craft
7	Mr. Inthesar Ahmed	M/s. S.S.C. Shoes Pvt. Ltd.,
8	Mr. A. Mohamed Salman	M/s. S.M.F Exports

Welcome Speech:

On behalf of Chairman, IFLMEA, Mr. A.R. Senthil Kumar, Hony. Secretary – IFLMEA, welcomed the members and the Special Invitees to the meeting. He extended his thankful welcome to Mr. P. R. Aqeel Ahmed, Chairman – CLE, Padmashri Dr. M. Rafeeqe Ahmed, President – AISHTMA and Dr. K.J. Sreeram, Director – CSIR-CLRI, and Dr. Md. Sadiq – CLRI.



In his welcome speech, Mr. Senthil Kumar said that the Indian Leather and Leather Products Industry is having a tough time owing to COVID-19 lockdown. He noted with concern that while the Raw Material Prices are coming down, the cost of manufacturing has gone up alarmingly. In the meanwhile the overall Livestock population has increased by about 4.6%. He hoped that this meeting would enable Industry to review the Export Performance and plan new road maps, besides revisiting finished leather norms, take a relook at the major reforms and support measures given by the Government of India.

He also briefed the members and special invitees on how to equip ourselves during these times while looking ahead, and how to reduce the chemical costs in tanning. He also emphasised the need to pay attention to LWG and Traceability by making a comprehensive plan.

Mr. Senthil Kumar also spoke about the success story at MODEUROP and FASHION TREND POOL and how most of the leathers were being made in India.

Chairman's Address:

Mr. K. R. Vijayan, Chairman-IFLMEA, extended a warm welcome to the EC Members and the Special Invitees and followed the agenda set for the day.



1. Confirmation of Minutes of the Second Meeting of the Executive Committee held on Friday, the 06th of March 2020 at 04.30 pm at IFLMEA Conference Hall, IFLMEA Office, Egmore, CHENNAI – 600 008.

The minutes for the Second Meeting of the Executive Committee held on Friday, the 06th of March 2020 at 4.30 pm at IFLMEA Conference Hall, IFLMEA Office, Egmore, Chennai was already circulated to the members by e-mail, and also displayed as presentation in the virtual meeting. The same was approved unanimously by the members of the Executive Committee.

2. Export Performance Review:

The Export analysis report for the Period April 2019 to February 2020 and April 2019 to March 2020 Vs April 2019 to March 2020 were distributed to the members by e-mail as also on screen during the virtual meeting.

The Chairman, IFLMEA reviewed the Export Performance of India's Leather and Leather Products Industry. He was concerned that the Finished Leather Exports for the period April 2019 to March 2020 was -25.71% while the overall export was down by -10.9%.

3. MSME Definitions and Benefits:

Mr. K.R. Vijayan, Chairman-IFLMEA, made a detailed presentation on the new revised definitions of the MSME and benefits of the same as well as IDLS Schemes. The presentation is already circulated to the Executive Committee Members by WhatsApp by the Hony. Secretary. Copy of the presentation is available with the IFLMEA office, which can be availed by the members for their reference.

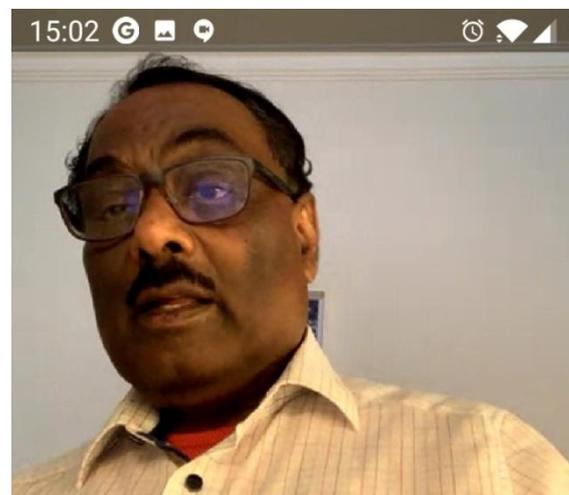
4. Policies from Government of India to help the Leather Sector:

Chairman IFLMEA, Mr. K. R. Vijayan invited Mr. P.R. Aqeel Ahmed, Chairman CLE to brief the members on "What are the policies the Government of India is having to help the Industry?"

Mr. P.R. Aqeel Ahmed, Chairman – CLE made a very crisp presentation highlighting the major reforms announced the Government of India and including:

- New Notification from MSME
- MES Push
- Caution List: A policy for pre-shipment insurance to be covered
- Eased up GST Regulations, loans for MSME Sectors.

In conclusion Mr. Aqeel Ahmed Panaruna stated that "Export of Leather and Leather Products were poised to show a positive growth of 3% to 4% but for the lockdown.



Introducing the next speaker as the 'guiding force,' Mr KR Vijayan, Chairman, IFLMEA invited Padmashri Dr M Rafeeqe Ahmed, President, AISHTMA to speak on post COVID market situation lockdown around the world and how to equip ourselves?

Dr M. Rafeeqe Ahmed began his address stating that 'no one knows what will happen in the next three months (short-term) or in the next nine months (long term). We have both a local situation as well as an international situation, he continued. NOBODY CAN ANSWER. Slowly, it will boom!

The panicky situation has come down with partial cancellations being restored, payments being made. Confidence levels are going up, online sale is increasing and shops are being surrendered.

He stressed that "COST OF PRODUCTION IS IMPORTANT!" Need to revisit overheads and chemical costs particularly for the finished leather segment. Dependency on chemical imports to be reduced as the dollar may grow stronger and touch Rs 80/- mark. Hence, it is necessary for the Chemical costs to be reduced.

He alerted that there would be a demand to local leather rather than imported raw material for the products sector to be competitive as the products industry is also looking at reduced prices and selling prices of the products.

In conclusion, President, AISHTMA said 'How to reduce cost of manufacturing is my message.'

The next special address was by Dr KJ Sreeram, Director, CSIR-Central Leather Research Institute (CSIR-CLRI) and Dr Sreeram spoke on "How to reduce chemical costs in Tanning?"
Dr Sreeram in his opening statement said "Start looking inward!"

There are n numbers of fatliquors and syntans going into the same drum thereby giving only a 50-60% of uptake and the rest going wasted. This, said the Director, was increasing the cost of chemicals. He told the members to use techniques to find out whether the syntans and fatliquors being used were compatible or not. He advised them to use the emission component: assign chemical management to a team that is not into manufacturing of the finished leathers. Look at the Chemical management Component, he stressed.

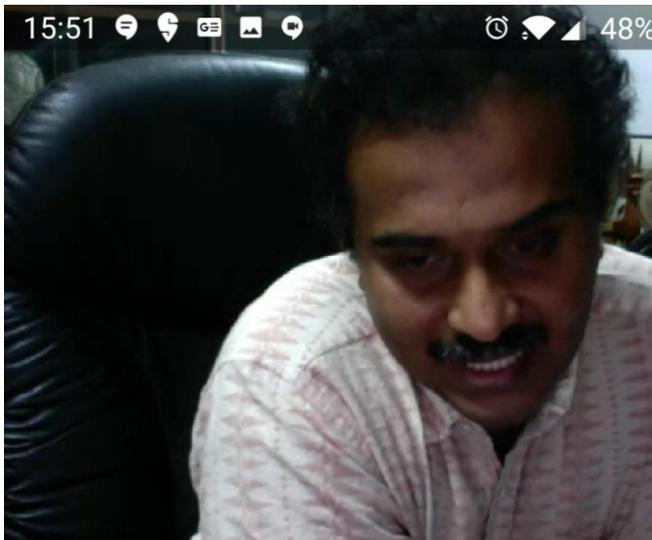
TODAY, there are different processes that avoid a few steps/ stages; we can avoid those steps. Look at the quality of liquid in the drum before adding the syntans and fatliquors.

MAKE YOUR OWN FATLIQUOR AND SYNTAN:

Mentioning that there was a lot of fleshing and trimming wastes in the tanneries that could be used to make your own chemicals. The hair could be used as protein filler to make protein syntans.

The Director invited the Tanners to make use of the Chemical Pilot Plant in CLRI. Both IFLMEA and LCMA can try out making their own auxiliaries and reduce imports.

Most importantly and in his conclusion remarks, Dr KJ Sreeram invited the tanners to send a concoction of syntans and fatliquors plus the water used and CLRI can enable in testing its compatibility.



“Traceability and supply chain is most important to gain customer confidence” said Mr AR Senthil Kumar, Honorary Secretary of IFLMEA who spoke on the subject of LWG certification and traceability.

Mr Senthil Kumar said that IFLMEA was playing lead role in LWG certification for tanneries and is now gearing up to measure traceability of hides & skins, centralised assessment of testing and live stock census.

During the discussions, **Director CLRI** opined that DNA sequencing technique has proved to be an authentic source with DNA data ascertained from a DNA library. Analysis of DNA itself will determine the source of the raw material, he said.

Mr N Shafeeq Ahmed of SSC Group intervened at this point and clarified that DNA method would not help in marketing. All that is wanted is what was the treatment met to the animal during transport, during slaughtering. **Mr Dhanakula Vasu of Prara Leathers** too voiced the same opinion as Mr Shafeeq Ahmed. **Mr Israr Ahmed Mecca of Farida Prime Tannery** cited an example of Mongolian skins wherein he said that the vaccination certificate itself was enough.



The next point that came up for discussion was TERMINOLOGY & NORMS and Mr N Shafeeq Ahmed, President, SISMA and Managing Director, M/s. ShafeeqShameel Group was invited to lead the discussion.

Chairman-IFLMEA Mr. Vijayan updated the members that in Italy, tanners association filed a suit in court and obtained a decree on the use of the term “Leather” in various products. Some synthetic and other material manufacturers are also using the term leather for their products. He invited Ex-Chairman-IFLMEA Mr. N. Shafeeq Ahmed to elaborate on this subject.

Mr. Shafeeq explained how the Italian tanners were able to obtain a decree from the Italian court limiting the use of term "Leather" to that of Animal origin only. He also informed the members that already the International Standards Organisation (ISO) has defined leathers in similar terms, which is being adopted across the world. He said that such adoption as a GO in India would take a long time to be implemented, and hence he felt that in India also we can file a PIL in High Court of Supreme Court as done by the Italian tanners, and obtain a decree.

Mr. Habib Hussain of M/s. A.V.T. Leather & Allied Products felt that filing a case in India will lead to several difficulties to the tanners, and hence suggested that we can wait till the Indian Government adopts the ISO Standards. To this Mr. Israr Ahmed Mecca felt that waiting for the ISO Standards to be adopted will take a long time, maybe 10 or 15 years, and hence said that we should file a PIL in some court.

Mr Shafeeq Ahmed said that Members remained in hope that the interventions made by CLE, CLRI and IFLMEA with the DoC, Government of India would lead to quick implementation of the Norms.

PHOTO-GALLERY of Members of IFLMEA who were engaged in the discussions



The virtual Executive Committee meeting concluded with the **Chairman - IFLMEA, Mr K.R.Vijayan** expressing his heartfelt thanks to all the Executive Committee members and special guests. He specially thanked **Ms SnehaSenthil** for enabling this virtual meeting that lasted for two hours.

K. R. Vijayan
Chairman

A.R. Senthil Kumar
Hony. Secretary