(UPDATED AS ON 27.08.2019)

Action taken on issues/suggestions put forth by the members of BoT in meeting held on 15.02.2019

S.N	Issues/Suggestions - Relevant Extracts from Minutes of Meeting	Comments/Action Taken
1.	**President, FIEO, Shri G.K.Gupta**	
	The scheme for sales to foreign tourist must be started immediately for handicrafts and textiles items. Foreign tourist sale for allowed 20- 25 years back. Now if a person is making counter sale to foreign tourist he must get MEIS and GST refund.	**CBIC, DoR** In so far as MEIS on counter sale to foreign tourists is concerned, the matter pertains to DGFT who administers MEIS scheme. - As far as GST Refund is concerned, Tourist Refund Scheme is under active consideration.
	Interest Equalization Scheme must be introduced for every sector at least for all agricultural commodities	**RBI** 'Interest Equalisation Scheme (IES) on Pre and Post Shipment Rupee Export Credit' has been introduced by Government of India, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry (MoC&I), for which operational guidelines have been issued by RBI. IES Scheme falls in the ambit of DGFT, MoC&I, GoI.
	E-wallet facility may be provided from 01.04.2019.	**CBIC, DoR** E-wallet facility has been deferred by GST Implementation Committee (GIC) till 31.03.2020, with a condition that if new return system is rolled out smoothly and e-Wallet scheme is ready at an earlier date, then it could be rolled out before 31.03.2020.
	ITC refund mechanism may be made completely online to save time and cost.	**CBIC, DoR** At present partial manual and partial electronic system is a stop gap arrangement which will be discontinued after complete electronic refund module comes into place. Development of completely electronic ITC refund interface is in progress
	Pre import condition should be resolved and	**CBIC, DoR**

	uniformity in views is expected from the RAs of DGFT.	Vide DGFT's Notification No. 53/2015-2020 dated 10.01.2019 and Department of Revenue's Notification No. 01/2019-Customs dated 10.01.2019, pre-import condition has been removed from Advance Authorization scheme for claiming IGST exemption.
	MEIS benefits should be granted as per the Trade Circular released by DGFT to similarly placed exporters and lastly	**DGFT** This issue is not clear, as to which circular is being referred to. MEIS benefits are being granted in paperless form since April 2019.
	ECGC may be requested to pursue a liberal view while processing and sanctioning claims of exporters and DGFT may a proposal/policy accordingly	**ECGC** i. By the close of FY 2018-19, ECGC has paid 541 claims amounting to Rs. 168 cr to the exporters. This reflects an increase of 12% and 23% in number of claims and amount claims respectively over the last financial year. Further, 273 claims (out of 541) for value of Rs 69.22 cr have been paid after condoning lapses in compliance with terms and conditions of cover. ii. In each policy that is availed by an exporter from ECGC, there are certain terms and conditions, which policyholders have to comply with. These are to ensure sound underwriting of credit risks and loss mitigation steps are pursued in the event of occurrence of non-payments by the overseas buyers. It is pertinent to note that non- payments due to occurrence of risks that are covered under the policy are eligible for claim compensation. However, in the event of deviation and lapses by the exporters in respect of the terms and conditions, the company has Board approved guidelines to condone the lapses where it is justified by applying suitable reductions. The justification to condone lapses is however, subject to the fact that such a lapse or deviation has not violated the regulatory guidelines/act and has not adversely impacted the Corporation's liability and/or caused loss. iii. The company endeavours to pay all the claims to policyholders that are due in terms of the policy. The company organises workshops and meetings on regular basis for the policyholders to make them aware o schemes and of requirements under the policies availed by them to ensure

		compliance with all the conditions. In the year 2018-19 more than 350 such meetings were organised by our branches all over India. iv. ECGC has opened centralized claims processing centres in its 5 Regional Offices. Each claim processing centre is headed by DGM. In case a claim is rejected, the policyholder has got the option to represent the claim again with additional information/documents, if required. The representations are duly examined. The decisions can be reviewed and reversed by the same officer/authority who rejected the case or the next higher authority, in accordance with powers delegated to the respective officers. However, if rejection is to be mandatorily referred to next higher authority for confirmation irrespective of the claim value. This is to ensure that all material given at the time of representation is dully examined and a fair decision is arrived at. Thus, claim can be represented twice before lodging a formal grievance. v. ECGC has in-house authority namely Apex Customer Grievance committee (ACGC) for resolution of customer grievances. In case a policyholder has exhausted the permissible number of representation of his claim then a subsequent representation by the policyholder is examined by ACGC, in this Committee, senior officers from marketing, policy planning etc., who are not directly related to claims processing are also members and their inputs are accepted for consideration. vi. Policyholder can represent in case they are not satisfied with the decision of ACGC. A representation by a policyholder subsequent to examination by ACGC may be referred to Independent Review committee (IRC) which can be a three member committee consisting of a retired High Court Judge and two retired executives of the rank of General Manager or above of Public Sector Banks/PSU/Insurance Company/PSU Financial Institutions/RBI/IRDAI. Currently the members of IRC are Retired Judge of High Court of Mumbai who is the Chairman of IRC, Retired Secretary to Government of India (Ex- CMD of ECGC) and Chief Adviser (Legal), Indian Banks Association. Vii ECGC is working on IRD AI mandated tracking system. ECGC has suggested the following phase-wise time-line for providing online access about claim status to the exporter

		customers. Stage 1: Online access to status claim as at the end of previous working day:P01.07.2019 Stage 2: Online access to current status of claim on daily basis: 01.08.2019 viii. To ensure that the terms & conditions are 'fair' and in line with the international practices, ECGC has submitted a detailed action plan. It has been suggested that: 1. A team of officers/external experts will study documents of the counterpart ECA and suggest as below: a. Simplifications for issue of cover b. Maintenance of policy c. Simplification in documents for claim processing d. Recovery steps Time line: 15 August, 2019 2. Drafting the documents with suggested and obtaining certificate from a lawyer for implementation: 30 September,2019 3. IRDA's compliance for simplified documentation and implementation: 31 October, 2019.
2.	**Special invitee Shri Onkar Kanwar, CMD, Appollo Tyres**	
	India should expand the base and sign a comprehensive trade pact with EU.	**DoC** India is negotiating a Broad based Bilateral Trade and Investment Agreement with the European Union. So far, 16 rounds of negotiations have been held.
3	**Shri Sanjay Budhia, Chairman, CII**	
	He pointed out that cost of credit in India is 6% whereas in China the same is that 3% and requested that interest subvention scheme be also introduced for the MSME Sector and there should be not differentiation between SME and	**RBI** We do not have any specific comments to offer as Reserve Bank of India has deregulated the interest rate on advances sanctioned by Scheduled Commercial Banks (excluding Regional Rural Banks) with effect from October 18, 1994 and the interest rates are determined by banks with the

	MSME and an uniform lower rate should be applicable across all sectors.	approval of their respective Board of Directors subject to regulatory guidelines on interest rate on advances contained in our Master Direction – Reserve Bank of India (Interest Rate on Advances) Directions, 2016 issued vide DBR.Dir.No. 85/13.03.00/2015-16 dated March 3, 2016, which is available on our website www.rbi.org.in under the head 'Notifications'. 'Interest Equalisation Scheme (IES) on Pre and Post Shipment Rupee Export Credit' has been introduced by Government of India, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry (MoC&I), for which operational guidelines have been issued by RBI. IES Scheme falls in the ambit of DGFT, MoC&I, GoI.
	He also pointed out that US GSP Scheme is beneficial for both the parties and India should ensure that such schemes are continued.	**DoC** India is continuously engaged with the US on the issue of GSP benefit withdrawal as a part of regular bilateral trade discussions.
	He also raised the issue of availability of Steel at affordable prices for the domestic sector as Steel manufacturers in India charge more from the domestic consumers than while exporting and this has an adverse impact on the engineering sector.	**Steel** 1. As per data available, domestic prices of steel are more or less aligned with the trends in the international market. Domestic and world export (import) prices are not always comparable due to variation in the structures of taxes/subsidies, transport cost, exchange rate etc. They further depend on the size of the order, financial (payment) conditions, etc. 2. The exporters of steel based engineering goods can always import steel duty free if that is economical. There are no taxes / duties leviable on their procurement from domestic sources. 3. Many a times, it is possible that a specific grade/type of steel cannot be supplied to the domestic user industries due to lack of production or lack of adequate economically viable order size. 4. M/o Steel is of the view that EEPC or small producers/exporters groups may bunch their requirement and place the orders with the steel producers so that there is economic size for the steel producers to attend

		to. This may ease the situation.
5	**Shri Pradeep S. Mehta, Chairman CUTS**	
	Trade agreements and how we can push forward to create more market opportunities for the country.	**DoC** DoC (TPD- SPS/TBT desk) is actively pursuing NTMs/TRs for products with regulators. The focus is initially on 371 HS lines across 6 line ministries, of which TRs have been formulated for 25% of the HS lines so far and efforts are on to bring more products under regulatory coverage. Also, commodity divisions are holding discussions with EPCs and exporters regularly to discuss NTMs being imposed by other countries, which are raised bilaterally with other countries at WTO forums or otherwise.
	He further stated that we need an initiative driven by the Ministry of Finance for export oriented FDI and we need a revamped SEZ policy.	**DoC** A group to study the SEZ Policy of India, was constituted under the Chairmanship of Shri Baba Kalyani, Chairman, Bharat Forge. The said group has submitted its report which is under consideration.
6	**Shri Ajay Sahai, DG, FIEO**	
	Tax deduction on R&D may be exempted and should be innovative friendly and tax deduction may be enhanced to encourage innovation.	**CBIC, DoR** CBDT is of the view that the issue is in the nature of general suggestion without making any specific proposal. Accordingly, FIEO may be requested to provide a specific proposal on the issue along with the basis for the same.
	In no circumstance should an export consignment be withheld until and unless there is an intelligence report requiring for such measures.	**CBIC, DoR** Government's initiative is towards ease of doing business. Risk Management System (RMS) is functioning on the basis of intelligence-based inputs and no consignments are withheld without intelligence. Further, random intervention is also required in order to improve the RMS as such results provide feedback.
7	**Shri Rahul Gupta, Chairman, EPCES:**	
	SEZ are an exciting story but the annual turnover ratio in the SEZ should be scaled up to	**DoC** It is requested that a detailed proposal may be sought from EPCES in r/o

	2% to 3%. The request is to allow SEZ facilities to the DTA manufacturers which will lead to utilization of scale and assets.	their suggestions. EPCES has been requested to submit the proposal.
	For the SEZ, a trade credit mechanism, wherein the Central regulator has some subset of trade credit and which does not get covered by the general regulation of credit, and it should be carved out as a niche for the SEZs.	**DoC** It is requested that a detailed proposal may be sought from EPCES in r/o their suggestions. EPCES has been requested to submit the proposal.
	Reverse charge mechanism has been brought in prior to September, 2019. SEZ under section 16(3) can procure as if they are in DTA. However, as purchases from the unregistered sources get covered by the Reverse charge mechanism they sought some clarification/relief in this regard.	**CBIC, DoR** It is clarified that reverse charge mechanism under Section 9(4) of the CGST Act, 2017 has been suspended since 13.10.2017 and no notification under concerned section has been issued after it was amended in the CGST Amendment Act, 2018.
	All FTA Nations are given some duty benefits, some sort of relaxation should also be given for the clearances to the DTA from the SEZ units which will have cascading effect and would help SEZs to reach economics of scale	**CBIC, DoR** SEZ is considered to be a territory outside the Customs territory of India. Accordingly, clearances to the DTA from SEZ units are treated as import into the country leviable to duties of Customs as leviable under the Customs Tariff Act, 1975, as per the provisions under Section 30 of the SEZ Act, 2005. As far extending best FTA rates on such clearance is concerned, DoR does not agree on the following grounds: (a) SEZs are already enjoying tax benefit on inputs, capital goods and services with world class infrastructure. So extending best FTA rates to SEZ units would put the DTA units into a more disadvantageous position leading to shifting/closure of units from DTA to SEZ to take advantage of lower Tariff.

		(b) Extending further tax benefit by way of extending FTA rates to SEZ will lead to inefficient way of allocating limited resources of the country and more distortion in the economy. DTA economy is much larger than SEZ economy and they are already facing a threat under the present FTA agreement. Therefore, extending it to neighboring SEZs would further compound this problem, putting large investment made in DTA units at substantial risk. (c) There seems to be no gain while extending such FTA rates to SEZ as unlike FTA partners, SEZ will not open any additional tariff lines for our exports to SEZ. In addition to above, SEZ in India cannot be related to the countries with which India is having FTAs. Accordingly, DoR's view to not to extend such benefits has been communicated to DoC from time to time in the past.
	A request was also made to allow unit transfer/sale in SEZ as investors in SEZ may like to delink their units and achieve liquidity in the process.	**CBIC, DoR** Rule 74 of the SEZ Rules, 2006 allows units to exit from SEZ scheme subject to procedure and conditions. Such existing units can transfer their assets upon their exit as per provisions under Rule 74A of the said SEZ Rules. However, there are conditions inbuiltinto such provisions to prevent possible misuse of the SEZ scheme. In view of the above, the request seems to be already covered under SEZ laws.
8	**Shri Vijay Kalantri, President, AIAI**	
	He requested for relaxing of the NPA norms for MSME Sector.	**RBI** In this regard, it may be noted that in February 2018, exposure of banks and NBFCs to the GST- registered Micro, Small and Medium Enterprises (MSME) was permitted to be classified as a standard asset, as per a 180-day past due criterion, subject to certain conditions, including a cap of Rs 250 million on the aggregate exposure. On a review, vide circular dated June6,2018, the benefits were extended to

		all MSMEs with aggregate credit facilities upto the above limit, including those which are yet to register under GST. Accordingly such MSME accounts continued to be classified as standard by banks and NBFCs if the amounts overdue as on September 1,2017 and payments due between September 1,2017 and December 31,2018 were paid no later than 180 days from from the original due date. The dues payable from January 1, 2019 onwards shall be aligned to the extant 90 days NPA norm in a phased manner in case of the GST-registered MSMEs. The MSMEs that are not GST-registered as on December 31, 2018 have reverted to 90 days NPA norm immediately from January 1,2019.
	He also suggested we should encourage the SEZ based on the Vietnam model. To this the Commerce Secretary pointed out that the specifics should be shared as to what is it in the Vietnam's SEZs that are finding favour. President, AIAI promised to share the details in a separate note.	**DoC** It is requested to confirm whether Sh. Vijay Kalantri has submitted any detailed note as told by him in the aforesaid meeting. AIAI has been requested to submit detailed note.
9	**Shri V. Padmanabhan, President, Seafood Export Association:**	
	Inclusion of the fisheries sector in the interest subvention scheme as it is labour intensive sector employing 10 million people.	**RBI** 'Interest Equalisation Scheme (IES) on Pre and Post Shipment Rupee Export Credit' has been introduced by Government of India, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry (MoC&I), for which operational guidelines have been issued by RBI. IES Scheme falls in the ambit of DGFT, MoC&I, GoI.
10	**Ms Sangeeta Godbole, DG, SEPC**	
	She highlighted that SEIS which is given on a net foreign exchange basis is only 10% of the total budget for MEIS and there is a need to enhance the SEIS budget to promote services exports.	**DGFT** The request has been taken on record and has been referred to the TPD Services Division of DoC.

11	**Shri Vivek Nair, Chairman, SEPC**	
	Service exports are growing at 14% and overall it is 38% of foreign earnings and of this, hotels and tourism sectors are the largest components and there has been a setback in the last few years particularly after the GST has been implemented as threshold room rent over 7500/- incurs a 28% GST. The Chairman suggested that those paying in foreign exchange they should be given exemption from paying GST.	**CBIC, DoR** The request for GST exemption on hotel accommodation service where declared tariff is more than Rs. 7500 (generally in five star hotels) where payment is made in foreign exchange by treating it as export of service was considered by the Fitment Committee and GST Council and was not acceded to for the following reasons:- a. The supply in question does not qualify as export of service because as per Section 2(6) of IGST Act "export of services" means the supply of any service when (i) the supplier of service is located in India; (ii) the recipient of service is located outside India; (iii) the supplier of service and the recipient of service are not merely establishment of a distinct person. b. In this case, the recipient of service and the place of supply are not located outside India to treat the service as export. Also GST is a destination-based consumption tax. The services of hotels, even by foreign tourist, paying in foreign exchange are effectively enjoyed domestically i.e. consumption of service is in India and hence liable to tax in India.
13.	**Ms. Sumeeti Toteja, Director, FSSAI**	
	MSME sector needs a clear cut definition. All engineering units are in the MSME Sector and need to upgrade their facilities and invest money. However, the moment they do so, they come out of the MSME definition and then all the other things like interest charges and costs go up. So the units don't scale up leading to resultant inefficiencies and loss of growth in exports. MSMEs should be defined on the basis	**MSME** MSME had introduced the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018 in the Lok Sabha to seek approval for changing definition of MSMEs from Plant and Machinery to Turn over. The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, is deemed to have lapsed on dissolution of the Sixteenth Lok Sabha on 25.05.2019. It is in the process of being reintroduced.

	of turnover, as approved by the Cabinet.	
14	**Shri Pramod Kumar Agarwal, Chairman, GJEPC**	
	He raised the issue of IGST levied on consignments returning from foreign exhibition and that they are waiting for the Circular clarifying the issue.	**CBIC, DoR** It is to clarify that goods re-imported which had earlier been exported on payment of IGST do not require payment of IGST at the time of re-import. Only in the case of goods exported under bond/ LUT without payment of IGST are required to pay IGST at the time of re-imp ort. Thus, there is no double payment of IGST. However, looking into the specific situation of gems and jewellery sector, CBIC is examining the proposal of carving out a specific exception for gem and jewellery exported on consignment basis
	GJEPC also requested for interest subvention of 3% of merchant exporters to for this sector, which presently they are not.	**DGFT** DGFT has already raised the limit from 3% to 5% in Interest Equalisation Scheme w.e.f 01 November, 2018. Merchant exporters have also been included under the ongoing IES allowing the equalization rate of 3% per annum w.e.f from January 2, 2019 for export of products covered under 416 tariff lines identified under the scheme. **RBI** 'Interest Equalisation Scheme (IES) on Pre and Post Shipment Rupee Export Credit' has been introduced by Government of India, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry (MoC&I), for which operational guidelines have been issued by RBI. IES Scheme falls in the ambit of DGFT, MoC&I, GoI.
	GJEPC mentioned that while there is a policy and procedure laid down that for the exported material they are to get a replenishment, duty free, on the equal value. The problem has arisen in the transitional	**CBIC, DoR** The issue of allowing replenishment of gold/silver free of Custom duty even in cases where ITC/GST refund has been availed at the time of export is under examination in consultation with DGFT and Customs field formations.

	regime, from excise to IGST refunds and which is pending for over a year. DGFT indicated that a change in policy has been proposed and Customs are looking at it.	
	He also raised the issue of foreign tourist sale. As the duty is very high on Gold items, plus GST discourages the foreign tourist from buying Indian articles as there is no mechanism for the refund of duty, while the neighbouring countries provide such a facility.	**CBIC, DoR** A Tourist Refund Scheme is under active consideration
15.	**Shri P.R Aqeel, Chairman, Council for Leather Exports**	
	Government should consider levying only 12% GST on footwears as it is one of the most commonly used items.	**CBIC, DoR** In the 15th GST Council meeting held on 03.6.2017, the Council deliberated the GST rate structure on footwear at length and after deliberation, the Council agreed that GST rate on footwear with retail sale price of less than Rs. 500 would be 5% and for the other categories of footwear, the rate of tax would be 18%. This GST rate was lower than the pre-GST tax incidence on footwear. Further, considering wide use of footwear by common people, the GST recommended extension of concessional rate of 5% GST for goods having a retail sale price not exceeding Rs.1000 per pair. Subsequently, in view of difficulty faced by the trade in case of sale under discount where 18% GST rate were applicable for footwear having RSP more than Rs 1000 even if the actual sale price was less than Rs 1000, GST council recommended concessional GST rate of 5% on footwear of sale value not exceeding Rs.1000 per pair with effect from 1.1.2019, doing away with the requirement to indelibly mark or emboss the price. Any change in GST rate that is arrived after consensus amongst various views of the members of the GST Council, at this stage, may

		not be advisable.
	He also requested that India should initiate a FTA with Britain as it has a lot of affinity and leather and footwear business has a large presence in that country.	**DOC** India is in touch with the UK side to prepare for a trade agreement with them as UK leaves the European Union and assumes the responsibility of its independent foreign trade policy.
16	**Shri Nikhil Saini, Director [Policy], Express Council of India**	
	He requested that there should not be any restriction on exports through express/courier mode. He requested for removal of commodity restrictions through express mode and implementation of single window clearance in courier mode, which would help the health and diagnostic services	**CBIC, DoR** The issue relates to allied laws of other Partner Government Agencies (PGAs) which Customs is enforcing. Matter may be taken up with respective PGAs. Suitable action would be taken in accordance with the suggestions given by different PGAs.
17	**Shri Karunakar. S. Shetty, President, BCBA**	
	While parking plazas were created in Nhava Sheva but there is no examination of the goods there and goods are moved to CFS which increases the dwell time and transaction costs. The request accordingly is to carry out examination in the parking plazas created.	**CBIC, DoR** The provision of space for carrying out examination atport comes under the purview of JNPT. The matter may be directly taken up with the Ministry of Shipping.
	The other request is for DGFT to make a system which accepts amendment of shipping bills or accept certificates issued by Customs for getting the MEIS license.	Shipping bill is an electronic document and is generated by ICEGATE. Customs have been requested to make any such amendments electronically vide an OM sent in June, 2019.
	Further, while Customs is working 24x7 other PGAs are not available 24x7 and if they can work 24x7, it will boost exports.	**CBIC, DoR** CBIC has already written to all PGAs to provide such facility round the clock.Matter may be taken up with other PGAs for necessary action at their end.
18	**Shri Sagar Mehta , Chairman, EPCH**	

	He requested for enhancing the MEIS limit for the handicraft sector and propose that the MEIS benefits should be granted as per the export performance of the EPCs.	**DGFT** MEIS rates are notified based on multiple factors including export growth, availability of budget etc. The rate for MEIS for handicraft sector is already at the highest slab of 7% since the Mid Term Review.
	Further, he pointed out that exporters exporting to Iran are facing problems and no EBRC is being released to the exporters in absence of which the exporter is unable to claim the MEIS and other benefits.	**DGFT** It is now possible to claim MEIS benefits without eBRC being issued by banks. Public Notice 08 dated 08.05.2019 and the TN 15 dated 16 May 2019 may be seen in this regard.
	He also pointed out that members from Agra are facing difficulties in obtaining MEIS benefits with reference to specific codes namely 6802 21 90 and 6815 99 90 as there are certain ambiguities. Customs is denying MEIS benefits of 7% on 6815 99 90 and insisting on putting 6802 21 90 on the shipping bills.	**DGFT** The matter has been examined in the Directorate in consultation with the D/o Revenue. The D/o Revenue and the Directorate is of the view that the classification of items is decided at the Customs field level based on item characteristics.
19	**Shri Sanjay Shah, Chairman, IOPEPC**	
	He requested that opening of containers from agricultural sector must be completely done away with.	**CBIC, DoR** Containers are opened for examination on the basis of intelligence or risk assessment. Department has already provided the facility of factory stuffing of reefer containers with perishable export cargo under supervision of Customs officials vide Circular No. 13/2018-Customs dated 30.5.2018. Such exporters may also avail of AEO facility
	He also raised the issue of technical barriers being raised by countries and stressed on the point that the Commerce Ministry should have a team which can find out technical barriers for their products in our country for a trade off between the importing and exporting country. Further, he also stressed the continous need for	**DoC** The TBT/SPS notifications issued by other countries are reviewed weekly and policy and regulatory briefs on important measures imposed by other countries are sent to concerned agencies for necessary action. M RAs are being pursued with some of the countries under P Tas for greater and smoother access for our products. For industrial goods, which constitute major slice of our imports, TRs are being framed under the

	bringing our products within various FTAs so that duty disadvantages for our products is set off. Further, he also stressed the continous need for bringing our products within various FTAs so that duty disadvantage for our products is set off.	guidance of Committee of secretaries to ensure competitiveness for out products in domestic and international markets, as well as safety for the Indian consumers.
20	**V.S. Sohney, Chairman, SAARCCI**	
	He also requested to make MEIS more consistent as 2-3 years back some policy was in place but some products could not be renewed for 2 months in April and May and then when MEIS was renotified in June; exporters who had exported during these two months count not get the benefits.	**DGFT** MEIS was available for exports made since 01.04.2015, the date from which it was notified. There has been no change in the Policy, and exporters who have exported with a declaration of intent as was required under the policy have availed the benefits.
21	**Shri A. Sakthivel, Acting Chairman (AEPC)**	
	Major foreign apparel brands are facing various challenges and our main constraint is duty free status enjoyed by our competing countries. As a case in point he pointed out that when GST was introduced, Apparel sector saw duty drawback rates and ROSL being reduced from 11.5% to 3.15% which is a big blow for the apparel exporters and they are not able to compete in the world market. After GST, apparel exports are coming down.	**CBIC, DoR** Prior to GST, the Duty Drawback Scheme used to neutralize Customs duties, Central Excise duties and Service Tax on inputs and input services used in manufacture of export goods. In GST regime, Duty Drawback Scheme neutralizes Customs duties on inputs and Central Excise duty on fuel used in manufacture of export goods. Simultaneously, exporters are eligible to avail credit/refund of GST paid on inputs used in manufacture of export goods or refund of GST paid on export goods. It is added that Ministry of Textiles has notified the scheme for Rebate of State and Central Levies (RoSCTL) for garment and made-up

		sector w.e.f. 07.03.2019.
	He also highlighted the reduction in allocation in MEIS Scheme for the apparel sector which was 20 crores in 2014 and now has been reduced to 6 crores.	**DGFT** These figures are incorrect. The benefits issued to the apparel sector are in the range of Rs 2,000 Cr per annum.
	He urged that interest Equalization Scheme should be considered across the board for all exporters and not limited to 10 crores of Investment.	**RBI** 'Interest Equalisation Scheme (IES) on Pre and Post Shipment Rupee Export Credit' has been introduced by Government of India, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry (MoC&I), for which operational guidelines have been issued by RBI. IES Scheme falls in the ambit of DGFT, MoC&I, GoI.
22	**Ajay Kadakia, Chairman (CHEMEXIL)**	
	As far as Iran is concerned, any chemicals which are exported to Iran, have to get a certificate from CHEMEXIL that the end use of the product is not for any sanctioned sector and the commodity is not in the sanctioned list. Practically it is not possible for council to certify that the end use of the product is not for any sanctioned sector, as basic chemicals have multiple applications and the council has no control as to where the Iranian buyer will actually use the item. The UCO bank must accept the End Use Certificate by Iranian buyers which can be arranged by Indian exporter while finalizing the order.	**DOC/UCO BANK** Since inception of 'Rupee payment Mechanism' no certificate have been sought from any trade body or promotion council for settlement of any transactions related to Iran. However, end use certificates are sought for very few instances where the goods to be exported indicate that they may be in use for sectors that are in contravention to US OFAC sanctions from Indian Exporter / Iranian Importer / Iranian remitting Bank only. Further, we submit that exports to Iran are handled with utmost care without inconveniencing any exporter. Iranian Banks maintaining VOSTRO account with us are also aware of the process flow and once requested by us, on a case to case basis, complying with certification that the entity, goods or end use of goods are not under sanction. Our Bank continues to support all Iran related trades made by Indian exporters for non sanctioned goods and non sanctioned sectors even post 04th Nov' 2018. **Post 04th Nov' 2018 our Bank has handled more than 2500 trade transactions amounting to about 1925 crore related to**

		Chemical export from India to Iran. Our Bank has been constantly in touch with various trade bodies such as FIEO, AIREA, Indian Tea Association etc to monitor that genuine exporters are not inconvenienced at any point of time. We have also been conducting Exporters meet in different parts of India and addressing the queries and concerns of all as well as encouraging and facilitating exporters to trade with Iran within the ambit of various guidelines. The same has also been appreciated at large by the exporter community. We again assure your esteem that our bank shall keep no stone unturned to ensure the responsibility assigned to us for the ongoing Indo Iran bilateral trade and take all possible measures to facilitate and support the Indian exporters.
	While Ministry is considering Bangladesh and Afghanistan and all such countries for granting MEIS benefits, Chemical industry faces a serious disadvantages against China, in Pakistan, in Indonesia, in Thailand and even in Turkey which are major export market. They requested the Government to look into the issue.	**DGFT** The MEIS scheme enables exporters to claim benefits on all notified products, irrespective of the destination of the exported product at the same rate. Therefore, the question of disadvantages does not arise.