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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 09.06.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.03/AM21 held on 09.06.2020

The following members were present in the meeting:

1. Shri R. P. Goyal — Addl. DGFT
2. Shri Vijay Kumar — Addl. DGFT
3. Shri Satyan Sharda — Addl. DGFT
4. Shri Hardeep Singh — Addl. DGFT
5. Shri Anil Aggarwal — Addl. DGFT
6. Shri Rajbir Sharma — Jt. DGFT

Following cases were discussed. The decision taken on the individual cases are as under:-

S. No	Name of the firm	Case No.
1.	M/s. Theme Export Pvt. Ltd., New Delhi	1
2.	M/s. Galaxy Surfactants Ltd, Mumbai	2&3
3.	M/s. Shree Ganesh Metals, HR	4
4.	M/s. PMJ Gems & Jewellers Pvt. Ltd., Hyderabad	5
5.	M/s. Tolar Ocean Products Pvt. Ltd., Karnataka	6&7
6.	M/s. Tribal Krafts, New Delhi	8
7.	M/s. Tulsyan NEC Limited, Bangalore	9
8.	M/s. Asia Metals, New Delhi	10
9.	M/s. Prasol Chemicals Pvt. Ltd., Mumbai	11
10.	M/s. Shree MomaiKrupa Jewellers, Mumbai	12
11.	M/s. Aglo Packaging Limited, Kolkata	13
12.	M/s. Feenix Agro Products, Virudhunagar	14
13.	M/s. NVR & Co., Virudhunaar	15
14.	M/s. RockdudeImpex Private Limited, MH	16
15.	M/s. Salcomp Manufacturing India Pvt. Ltd., Chennai	17
16.	M/s. JSW Steel Limited, Mumbai	18
17.	M/s. Kaleesuwari Refinery and Industry Pvt. Ltd. Hyderabad, Telangana	19
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19.	M/s. Shital Fibres Limited,Jalandhar	21

Case No. 01 M/s. Theme Export Pvt. Ltd., New Delhi
F. No. 01/60/162/913/AM20/PRC

PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Condonation of procedural lapse for not mentioning Advance Authorization number in shipping bills towards fulfillment of EO against Advance Authorization No.0510390742 dated 25.08.2014.

The applicant stated that the subject authorization had been obtained for import of raw material/inputs against export of textiles products (readymade garments). They have made exports of readymade garments using imported inputs towards fulfillment of EO against the said authorisation. But, due to oversight the Advance Authorization number could not be endorsed on S/Bills of their export shipments. However, since, the exported product is covered under SION and can be accounted towards Export Obligation of said Advance Authorization, they had fulfilled EO. Hence, requested condonation of procedural lapse for not mentioning Advance authorisation number in shipping bills towards fulfillment of EO against said Advance authorization..

Decision: The Committee went through the statement made by the firm and found no merit in the firm's contention. Accordingly, the Committee decided to reject it.

(Action: Applicant)

Case No. 02 M/s. Galaxy Surfactants Ltd, Mumbai
F. No. 01/60/162/920/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Extension of EOP against Advance Authorization No.0310823221 dated 23.02.2018 without any composition fee.

The applicant stated that their manufacturing unit was an Export Oriented Unit (EOU). However, in view of increasing domestic sale from the said EOU, they intended to exit from the EOU scheme in 2018. Accordingly, based on the NOC issued by their jurisdictional Development Commissioner, Kandla SEZ, they had obtained the said advance authorisation in August 2018 for converting the EOU obligation into advance authorisation obligation for debiting the quantities of duty free imported raw materials which would be lying in stock at the time of exit as per the procedure of exit laid down in Para 6.18 of FTP 2015-20. Further, stated that the said advance authorisation is not normal authorisation, but got issued only for the purpose of exit from the EOU scheme. However, due to the reasons that from the date of submission of self-assessment in October, 2018 and continuing delay till today by their jurisdictional authority, they are unable to start the exports against the said AA which in turn led to the expiry of EOP. Thus, non-fulfillment of EO was beyond their control. Hence, requested extension in EOP without composition fee.

Decision: The Committee having examined the statement made by the applicant in its application and decided to defer the case and seek a detailed report from DC, SEZ Kandla in the matter.

(Action: Applicant/DC, SEZ Kandla)

Case No. 03 M/s. Galaxy Surfactants Ltd, Mumbai

F. No. 01/60/162/921/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Extension of EOP against Advance Authorization No.0310823219 Dated 23.08.2018 without any composition fee.

The applicant stated that their manufacturing unit was an Export Oriented Unit (EOU). However, in view of increasing domestic sale from the said EOU, they intended to exit from the EOU scheme in 2018. Accordingly, based on the NOC issued by their jurisdictional Development Commissioner, Kandla SEZ, they had obtained the said advance authorisation in August 2018 for converting the EOU obligation into advance authorisation obligation for debiting the quantities of duty free imported raw materials which would be lying in stock at the time of exit as per the procedure of exit laid down in Para 6.18 of FTP 2015-20. Further, stated that the said advance authorisation is not normal authorisation, but got issued only for the purpose of exit from the EOU scheme. However, due to the reasons that from the date of submission of self-assessment in October, 2018 and continuing delay till today by their jurisdictional authority, they are unable to start the exports against the said AA which in turn led to the expiry of EOP. Thus, non-fulfillment of EO was beyond their control. Hence, requested extension in EOP without composition fee.

Decision: The Committee having examined the statement made by the applicant in its application and decided to defer the case and seek a detailed report from DC, SEZ Kandla in the matter.

(Action: Applicant/DC, SEZ Kandla)

Case No. 04 M/s. Shree Ganesh Metals, HR
F. No. 01/60/162/942/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Clubbing of two Advance Authorization No.3310026241 dated 25.05.2013 and 3310030342 dated 02.09.2016 and waiver the interest on customs duty.

The applicant stated that they had taken the 1st Advance Authorization No.3310026241 dated 25.05.2013 and fulfilled the EO by exporting 51380 Kgs and got EODC from RA,Panipat. But they had done NIL import and got the revalidation for 6 months vide PRC Meeting No.26/Am18 dated 19.12.2017 (Case No.03), but could not make import due to shortage of raw materials in International Market. So their import quantity is pending of ZINC INGOTS. Meanwhile, they had taken 2nd Advance Authorization No.3310030342 dated 02.09.2016 and imported 247430 Kgs out of 250751 Kgs allowed and made export (supply to SEZ Unit) 23079 Kgs out of 247430 Kgs of EO and balance export (247430-23079) =224351Kgs. They have made export in quantity of 51380 kgs and done No import in 1st Advance Authorization No.3310026241 dated 25.05.2013. Hence, requested to club both authorizations by adjusting quantity of export made in 1st authorisations i.e.51380 Kgs in the export balance of 2nd Advance Authorization No.3310030342 dated 02.09.2016 which is 224351 Kgs. They are ready to pay Customs Duty on balance (224351–51380) = 172971 Kgs which is unfulfilled EO. They have also requested to

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waive the interest on Customs Duty because their firm has been already facing heavy losses due to grim market situation and low orders.

<u>**Decision:**</u> The Committee after examining the case in detail, it decided to reject the case as the same was found to be without any merit.

(Action: Applicant)

Case No. 05 M/s. PMJ Gems & Jewellers Pvt. Ltd., Hyderabad
F. No. 01/60/162/943/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Regularisation of re-import of Gold Jewellery after participation in Exhibition in USA which was handed over to USA Customs within time but arrived in India 15 days beyond 90 days period as prescribed under Para 4.80 (C)(i)(a) of HBP 2015-20.

The applicant stated that they have exported the quantity of 17828.107 grams of Gold Jewellery against Shipping Bill No.6955310 dated 16.09.2019 and participated in a Gold Jewellery Exhibition in USA which was held from 21.09.2019 to 15.10.2019. The Gold Jewellery should have been re-imported within a period of 90 days from the close of exhibition as provided under Para 4.80(C)(i)(a) of HBP 2015-20. However, the consignment of their Airway Bill No.1110-0395070 dated 17.12.2019 arrived at Hyderabad Airport only on 27.01.2020 (beyond 90 days, as prescribed) due to time taken by USA Customs. As such their re-import are within 90 days from the date of closure of exhibition in USA, but according to Customs Authority at Chennai there is a delay of 15 days from the last date of import of 13.01.2019. Hence, requested to condone the delay for re-import of Gold Jewellery from USA Exhibition.

<u>**Decision:**</u> The Committee went through the justifications made by the applicant and discussed the case in detail. The Committee observed that the firm has faced the problem which was beyond their control. Accordingly, the Committee decided to condone the delay of 15 days beyond the period of 90 days as prescribed under Para 4.80(C)(i)(a) of HBP2015-20 for re-import of Gold Jewellery from USA Exhibition.

(Action: Applicant)

Case No. 06 M/s. Tolar Ocean Products Pvt. Ltd., Karnataka
F. No. 01/60/162/948/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To condone the delay in submission of VKGUY application due to delay in availability of BRC in DGFT portal and to consider reprinted shipping bills as per Para 2.60 of HBP 2009-14 against Ecom Ref No.07/06/028/09100/0621/9524 and RA file no. 07/21/087/50004/AM20.

The applicant stated that regarding their VKGUY application all shipping bills are fully realized but the BRCs were not available in DGFT portal. It was reflected in DGFT site after three years, but unfortunately during this time the Original EP copy of shipping bills were lost/misplaced. They approached to the Mangalore Customs and got re- printed shipping bills in lieu of Original and duly filed the same for VKGUY application with the late cut of 10% as per Para 3.11.9 of the HBP2009-14. But RA, Bangalore rejected their application vide deficiency letter dated 05.08.2019. They are requesting to condone the delay in submission for VKGUY application due to the delay in availability of BRCs in DGFT Portal and also consider their re-printed shipping bills as duplicate and entitlement to be granted in terms of para 2.60 of the HBP 2009-14.

Decision: The Committee went through the justifications submitted by the applicant and discussed the matter at length. The Committee decided to allow VKGUY benefit against RA file no. 07/21/087/50004/AM20 by taking date of uploading of BRC by the bank into consideration with 10% late cut. Committee did not accede to the request of the firm to accept re-printed shipping bills as duplicate copy of shipping bills.The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting with duplicate copies of the shipping bills issued by customs.

(Action: Applicant/RA, Bangalore

Case No. 07 M/s. Tolar Ocean Products Pvt. Ltd., Karnataka
F. No. 01/60/162/949/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To condone the delay in submission of VKGUY application due to delay in availability of BRC in DGFT portal and to consider reprinted shipping bills as per Para 2.60 of HBP 2009-14 against Ecom Ref No.07/06/028/09100/0621/5141 and RA file no. 07/21/087/50005/AM20.

The applicant stated that regarding their VKGUY application all shipping bills are fully realized but the BRCs are not available in DGFT portal. It was reflected in DGFT site after three years, but unfortunately during this time the Original EP copy of shipping bills were lost/misplaced. So they approached and requested to the Mangalore Customs and got re- printed shipping bills in lieu of Original and duly filed the same for VKGUY application with the late cut of 10% as per Para 3.11.9 of the HBP2009-14. But RA, Bangalore rejected their application vide deficiency letter dated 05.08.2019. They are requesting to condone the delay in submission for VKGUY application due to the delay in availability of BRCs in DGFT Portal and also consider their re-printed shipping bills as duplicate and entitlement to be granted in terms of para 2.60 of the HBP 2009-14.

Decision: The Committee went through the justifications submitted by the applicant and discussed the matter at length. The Committee decided to allow VKGUY benefit against RA file no. 07/21/087/50005/AM20 by taking date of uploading of BRC by the bank into consideration with 10% late cut. Committee did not accede to the request of the firm to accept re-printed shipping bills as duplicate copy of shipping bills. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting with duplicate copies of the shipping bills issued by customs.

(Action: Applicant/RA, Bangalore)

Case No. 08 M/s. Tribal Krafts, New Delhi
F. No. 01/60/162/933/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To allow MEIS benefit against Shipping Bills No.4661172 dated 10.03.2017 in which reward column ticked 'No' instead of 'Yes'.

The applicant stated that due to change of HS Code from 44219090 to 44219190 vide Public Notice No.61/2015-20 dated 07.03.2017 intent reward "Y" was not accepted in their Shipping Bill No.4661172 dated 10.03.2017. So their CHA filed the shipment under reward column "N". They followed up with Customs Authority but their shipping bill could not be done online in DGFT Server. Hence, requested to activate the Shipping Bill No.4661172 dated 10.03.2017 in DGFT server so that they can file their MEIS claim.

Decision: The Committee went through the submission made by the applicant and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for whatsoever reason) do not get electronically transmitted on-line in the automated environment. Accordingly, it decided to reject the case.

(Action: Applicant)

Case No. 09 M/s. Tulsyan NEC Limited, Bangalore
F. No. 01/60/162/946/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Clubbing of three Advance Authorization No.0710105991 dated 22.07.2014, 0710107239 dated 19.12.2014 and 0710087342 dated 29.03.2012.

The applicant stated that they had obtained the Advance Authorization No.0710087342 dated 29.03.2012 and had completed the EO. However, due to a programming error in the ERP which allowed dispatches to be billed in the same license without limiting the exports to the quantity authorized, the exports exceeded the allowed quantity. In the meanwhile, they had obtained the advance Authorization nos. 0710107239 dated 22.07.2014 &0710107239 dated 19.12.2014 and used the same for the imports. For the exports in advance authirisation 0710087342 dated 29.03.2012 they had already exceeded the licensed quantity and had already utilized the imported goods under the Advance Authorization No.0710105991 dated 22.07.2014 & 0710107239 dated 19.12.2014. They want to regularize the case by clubbing the excess export in one authorization with another where there was a shortfall due to reasons explained above.

Decision: The Committee went through the submission made by the firm and observed no merit in the case and accordingly decided to reject it.

(Action: Applicant)

Case No. 10 M/s. Asia Metals, New Delhi
F. No. 01/60/162/945/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To allow 9 Shipping bills No.(i)1293046 dated 19.06.2015, (ii)1887677 dated 20.07.2015, (iii)1887700 dated 20.07.2015, (iv)1887775 dated 20.07.2015, (v)18718092 dated 31.03.2015,(vi)8718103 dated 31.03.2015, (vii)9479969 dated 09.05.2015, (viii)950219 dated 11.05.2015 and (ix)9564903 dated 14.05.2015 (Year 2015-16) for manual filing at RA without late cut under the MEIS Scheme against MEIS Authorisation No.0519107521 dated 22.02.2018 (Fresh AA No.519075252 dated 31.03.2017).

The applicant stated that they were issued the above MEIS Authorization No.0519107521 dated 22.02.2018, but the same could not be registered with the Customs due to system error 7 and hence could not be utilized. They approached CLA, New Delhi to rectify the error and also met the concerned on online system and were issued a fresh MEIS Authorization No.519075252 dated 31.03.2017. But this fresh authorization also could not be registered with Customs as it again showed error code 7. They again approached the CLA, New Delhi and met the concerned officers to rectify the system error. They advised them to request to cancel the MEIS Authorization, and request for reactivation of the shipping bills, so that the error could be removed from the system, and fresh file created to remove the systems error. As advised, they requested them to cancel the authorization and re-activate the shipping bills without any late cut. They then cancelled the MEIS issued to them and instructed them to get the shipping bill re-activated from NIC at DGFT. However on perusal, of their file, they noticed that if they get the shipping bills re-activated from NIC at DGFT, the shipping bills would get time barred and the claim admissible will be zero. Hence, requested to allow issue of MEIS as per MEIS issued earlier without any late cut due the aforementioned reasons.

<u>Decision:</u> The Committee based on the justifications submitted by the applicant and after examining the case in details, decided to refer the case to EDI Division for its examination and resolution on file.

(Action: Applicant/EDI-Division)

Case No. 11 M/s. Prasol Chemicals Pvt. Ltd., Mumbai
F. No. 01/60/162/166/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Clubbing of Advance Authorization No.0310757684 dated 12.11.2013 and 0310797284 dated 16.07.2015 for redemption and regularization purpose only (Condoning the delay of just 2 months after 18 months from the date of issue of the first advance authorization).

This is a review case of PRC Meeting No.09/AM20 dated 25.06.2019 (Case No.25), wherein it was rejected by the Committee. The applicant stated that the 1stAuthorisation No.0310757684 was obtained on 12.11.2013 (import validity period of 18 months -12.05.2015). The 2ndAuthorisation No.0310797284 was obtained on 16.07.2015 (After 18+2=20 Months). Exports were simultaneously made under both

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the authorizations to fulfill the required export obligation. But at the time of preparation for pre-import documents, their logistics staff wrongly / inadvertently mentioned 2nd Authorisation No.0310797284 dated 16.07.2015 instead of 1st Authorisation No.0310757684 dated 12.11.2013 in 3 Shipping Bill Nos.4121734 dated 16.11.2015, 4342888 dated 27.11.2015 and 4948004 dated 28.12.2015. This resulted into excess export under 2nd authorisation&shortfall in export under 1st authorisation. They have already completed the required exports & fulfilled the export commitment. Upon clubbing they agree to regularize imports made after 30 months and also agree to regularize shortfall in value / quantity as per Para 4.49 of HBP 2015-20. Both authorisations are obtained for similar export & Import product descriptions and both have similar Duty Exemption. Minimum value addition as prescribed under the FTP & Procedures has already been maintained against both the authorisations. Hence requested to allow clubbing of both the authorisations for regularization &redemption purpose only

Decision: The Committee reviewed the case on the justification submitted by the applicant and discussed the matter at length. The Committee decided to relax the condition of 18 months from the date of issue of first Advance Authorisation for clubbing of two Advance Authorization No.0310757684 dated 12.11.2013 and 0310797284 dated 16.07.2015 for regularization purpose only. The other terms and conditions for clubbing shall remain same as per policy/HBP provisions. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai)

Case No. 12 M/s. Shree Momai Krupa Jewellers, Mumbai
F. No. 01/60/162/775/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To allow import of alloy against Invoice No.4444 / 17.12.2019 (AWB No.23555389806) under exim code 71069290.

The applicant has stated that they are status holder and manufacture exporter of wide range of Gold Jewellery for the last ten years. They have been awarded with second largest exporter in MSME sector for last two years i.e. 2017-18 & 2018-19 by Gems and Jewellery Export Promotion Council, Ministry of Commerce. They import silver content alloy to be used in Jewellery manufacturing process to reduce the purity of Gold to manufacture 18kt, 22kt Gold Jewellery etc., as per customers requirement. Alloy is a mixture of 2 or more metals. An alloy in their field of Jewellery is usually made up of different metals like Silver, Copper, Zinc, Nickle. The percentage of these Alloys varies based on the caratage of gold to be converted from pure form of gold. They mix alloys to this pure gold to different caratage as per International & Indian standards. 22kt -it means 91.7 % Gold &balance 8.3% Alloy is added, 18kt-it means 75% Gold & balance 25% Alloy is added likewise lower the caratage higher the weight of alloy.

Import Policy of the silver alloy was changed from Free to Restricted vide notification No. 36 dated 18.12.2019 whereas their invoice is dated 17.12.2019 and their goods arrived in India on 23.12.2019. The purpose of adding alloys is to have a good mechanical & tensile strength to gold. Since their Import shipment has already arrived at the port, their request is to allow import of alloy to enable them to fulfill their exports.

Decision: The Committee went through the justifications made by the applicant in its application as well as the comments received from PC-2(A) and discussed the case at length. The Committee decided to allow import of alloy against their Invoice No.4444/17.12.2019 (AWB No.235 5538 9806) under Exim Code-71069290.

(Action: Applicant)

Case No.13 M/s. Aglo Packaging Limited, Kolkata
F. No. 01/60/162/242/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Extension of EOP against DFIA No.0210205930 dated 26.06.2015 for six months from the date of endorsement to do additional exports, without payment of composition fee.

The applicant stated that they had filed online application under DFIA scheme for import of HDPE granule 105000 Kgs against export of Articles made of HDPE 100000 Kgs (SION 63/23) on 18.06.2015 to RA, Kolkata in terms of para 4.27 and 4.29 of FTP, 2015-2020. The DFIA No.0210205930 dated 26.06.2015 which was issued by concerned RA should not have been issued before completion of export as the policy had changed from 1.4.2015 onwards. They had made import of 49500 Kgs and export of 8604 Kgs during the months of July, 2015. On realizing the mistake, RA, Kolkata requested to submit back original DFIA Authorization vide their letters dated 03.08.2015 and 12.08.2015 and the same was submitted to their office on 18.08.2015 and lying in file at RA, Kolkata. They made efforts to export but the Customs did not allow exports in the absence of original authorization. Hence, requested 6 months extension in EOP from the date of endorsement to do additional exports, without payment of composition fee.

Decision: The Committee examined the case in detail and in view of justification provided by the firm decided to allow EOP extension of DFIANo.0210205930 dated 26.06.2015 for a period of 6 months from the date of endorsement to fulfill the balance EO and not for making any imports. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

At the same time Committee also observed that RA Kolkatta should not have issued the DFIA in this case as same was not permissible under the then FPT/HBP and after recalling the DFIA it should have rectified their mistake and regularized the matter rather than keeping it pending for such a long time. Accordingly, it also decided to seek a detailed report from RA, Kolkata regarding irregularities in the matter to examine it further in Hqrs.

(Action: Applicant/RA, Kolkata)

Case No.14 M/s. Feenix Agro Products, Virudhunagar

.:. No. 01/60/162/633/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Relaxation for delay in arrival of import consignment against authorization no 3519016156 dated 24.06.2019 (consignment arrived on 7th November 2019).

This is review case of PRC Meeting No.26/AM20 dated 07.01.2020 (Case No.30), wherein the case was rejected by the Committee. The applicant stated that a quantity of 75 MT of Green Mung Beans were handed over by foreign supplier to the shipper and the goods were shipped on Board on 12.10.2019 against Bill of lading No.AJD0474952on 12.10.2019. The same have landed late on 07.11.2019 at Chennai sea port in Tamil Nadu. However Trade Notice No.38/2019-20 dated 05.11.2019, was valid till 31.10.2019 only. Though, the consignment got delayed due to unforeseen circumstances of rough weather resulting in congestion at transshipment port and they had been informed by APL that; due to unforeseeable upsurge, Cargo had to change to another vessel/voyage at the transshipment port and intimated new date (rescheduled) of the arrival date as on 07.11.2019 from the original date of 31.10.2019. Finally, shipments of M/s Feenix Agro Products, Virudhunagar (TN) and M/s NVR & Co., Virudhunagar (TN) arrived at Chennai Customs Port on 07.11.2019 at 18:30 hrs. The same has been confirmed by Chennai Customs Port (Chennai-II) vide mail dated 02.01.2020.Hence, requested to relax shipment arrival late by 7 days as against the last day notified.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and found no merit in the request and hence decided to maintain rejection of the earlier decision of PRC in its Meeting No.26/AM20 dated 07.01.2020 (Case No.30).

(Action: Applicant)

Case No. 15 M/s. NVR & Co., Virudhunaar
F. No. 01/60/162/636/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Relaxation for 7 days delay in arrival of import consignment as per vide Bill of Entry no. 5619015 dated 09.11.2019 with B/L/No.AJD0477005 dated 15.10.2019.

This is review case of PRC Meeting No.26/AM20 dated 07.01.2020 (Case No.30), wherein the case was rejected by the Committee. The applicant stated that a quantity of 25 MT of Green Mung Beans were handed over by foreign supplier to the shipper and the goods were shipped on Board on 12.10.2019 against Bill of lading No.AJD0477005 on 15.10.2019. The same have landed late on 07.11.2019 at Chennai sea port in Tamil Nadu. However Trade Notice No.38/2019-20 dated 05.11.2019, was valid till 31.10.2019 only. Though, the consignment got delayed due to unforeseen circumstances of rough weather resulting in congestion at transshipment port and they had been informed by APL that; due to unforeseeable upsurge, Cargo had to change to another vessel/voyage at the transshipment port and intimated new date (rescheduled) of the arrival date as on 07.11.2019 from the original date of 31.10.2019. Finally, shipments of M/s Feenix Agro Products, Virudhunagar (TN) and M/s NVR & Co., Virudhunagar (TN) arrived at Chennai Customs Port on 07.11.2019 at 18:30 hrs. The same has been confirmed by Chennai Customs Port (Chennai-II) vide mail dated 02.01.2020.Hence, requested to relax shipment arrival late by 7 days as against the last day notified.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and found no merit in the request and hence decided to maintain rejection of the earlier decision of PRC in its Meeting No.26/AM20 dated 07.01.2020 (Case No.29).

(Action: Applicant)

Case No. 16 M/s. Rockdude Impex Private Limited, MH
F. No. 01/60/162/572/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: EOP Extension against Advance Authorization No.0310788049 dated 15.08.2014.

The applicant stated that unfortunately due to oversight, they had mentioned wrong Authorisation number in the respective shipping bills which were lying toward completion of EO against the subject Authorisation. Further, stated that they had exported additionally 36.25 MT but only 9.23 MT were referred against this authorisation. Thus around 27.02 MT has been referred in shipping bills against 2 other authorisations. However, the shipping bills were not clubbed in license referred above and still not claimed by them against any authorization so far. They had also approached Customs to allow this 27.02. MT of shipping bills to be modified in shipping bills to change (of the subject authorisation). Hence, firm requested to allow the export of 27.02 MT towards fulfillment of EO against the subject Authorisation. They do not want to make any further import, but only for regularization. However, as they have the export orders in hand of approximately 10 crores, alternately, requested to allow 6 months time to complete the remaining portion of EO i.e.27.02 MT.

Decision: The Committee went through the statements made by the firm and noted that it is an old license and the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

Case No. 17 M/s. Salcomp Manufacturing India Pvt. Ltd., Chennai
F. No. 01/60/162/246/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: MEIS claim for the shipping bills without intent to claim MEIS benefit for the export pertaining from June, 2015 to February, 2016.

This is review case of PRC Meeting No.12/AM20 dated 16.07.2019 (Case No.10), wherein the Committee had rejected the case. The applicant stated that they had filed their shipping bills manually and there was problems in the EDI system. Thus the special clause for claiming MEIS benefit has not been picked up in their system and thus they have effected shipment in its normal course which was only a procedural lapse. We have been exporting their product in the capacity of SEZ and their customs documents are being filed manually as their SEZ Units Customs Offices are not facilitated to file EDI shipping bills. They have outsourced shipping bill filing to CHA and process the same through Custom Office. In terms of Policy and Procedure, their products are entitled to the benefit. Their claims were rejected by the RA for want of intent declaration and "Y" or "N" markings in the shipping bills. However, while filing the application for claiming MEIS benefit, they came to know that they have not mentioned the Column "Y" or "N" and also the declaration of intent as they were told by the Custom Officers by that time there was not provisions available in the shipping bills. Thus all their MEIS claims filed with that of the relevant shipping bills listed were rejected by the Authorities concerned in the office of MEPZ, at Chennai reasoning that there is no intent declaration and column "Y" or "N" made out. When they approached the official at MEPZ they were informed that they will not be issued with the MEIS authorization due to the fact that procedural lapse have taken place in the shipping bills as there was no declaration of intent in the shipping bills and also there was no tick mark effected "Y" or "N" in the column provided in the shipping bills.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and observed that there is mistake on the part of the firm and there is no provision in the automated system to consider such requests. Accordingly, it found no merit in the request and decided to maintain rejection of the earlier decision of PRC in its Meeting No. 12/AM20 dated 16.07.2019 (Case No.29).

(Action: Applicant)

Case No. 18 M/s. JSW Steel Limited, Mumbai
F. No. 01/60/162/760/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: To allow MEIS benefit against 07 manual Shipping BillsNo.(i) 144/DBK/16 dated 15.05.2016, (ii) 145/DBK/16 dated 15.05.2016, (iii) 172/DBK/16 dated 15.06.2016, (iv) 179/DBK/16 dated 20.06.2016, (v) 180/DBK/16 dated 20.06.2016, (vi) 173/DBK/16 dated 15.06.2016 and (vii) 174/DBK/16 dated 15.06.2016.

The applicant stated that they had exported Hot Rolled non-alloy steel Coils to Nepal under the cover of 7 shipping bills. These shipping bills have been processed on manual shipping bills basis at Raxaul Land Customs Station and also contain the intent to claim MEIS benefit. In respect of these 7 shipping bills, they have been facing difficulty in filing their application for grant of MEIS benefit as (i) In 5 shipping bills – their bank has yet not issued the eBRCs. After several follow ups, in lieu of eBRC, the bank has issued a manual BRC in November, 2019 and (ii) In 2 shipping bills-their bank has issued eBRCs with wrong port code and they are unable to amend the same. They have added the details of all these 7 manual shipping bills into the online E-com system by adding the required details into shipping bills repository. In respect of 5 shipping bills (bearing No.144/DBK/16 dated 15.05.2016, 145/DBK/16 dated 15.05.2016, 172/DBK/16 dated 15.05.2016, 179/DBK/16 dated 20.06.2016 and 180/DBK/16 dated 15.05.2016) they are unable to file their application for MEIS benefit as the related eBRC's are not available. They have been pursuing the matter with their banker, Punjab National bank, for issue of eBRCs for these shipping bills for a very long time but in vain only. In spite of their several requests, their banker refused to issue eBRCs for these manual shipping bills. As informed by Bank, post EDPMS, they are not issuing / amending eBRCs for shipping bills which are not available on the RBI server. Now, the Customs Authorities, vide letter dated 05.11.2019, informed them that there is no provision to convert manual shipping bills into online EDI shipping bills and advised them to approached DGFT to avail MEIS benefit. In November, 2019, they have issued bank certificate in a general format. It is evident that the export proceeds of the relevant bills have been duly realized through their bank. For the other 2 Shipping Bill No.173/DBK/16 dated 15.06.2016 & 174/DBK/16 dated 15.06.2016, both shipping bills and eBRCs are available in the Ecom system. However they are not able to file their MEIS application as system is showing 'No eBRC date is available for these shipping bills'. The bank issued them the eBRC with wrong port code "INRXLB" which is a EDI port code whereas the shipping bills (which are manual) have been added to the shipping bill repository with manual port code "INRXL6". Hence, there is a mismatch in the port code and they are unable to co-relate the shipping bills with e-BRCs. They approached their banker for amending the port code in eBRCs but refused to amend the eBRCs for these manual shipping bills. As informed by bank, post EDPMS, they are not issuing / amending eBRCs for shipping bills which are not available on the RBI server.

Decision: The Committee discussed the case in detail on the basis of justifications submitted by the firm along with comments received from EDI-Division that INRXLB Raxaul is an EDI port wef 1.4.2015 and found no merit in firm's contention. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 19 M/s. Kaleesuwari Refinery and Industry Pvt. Ltd. Hyderabad, Telangana

F. No. 01/60/162/918/AM20/PRC

PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Relaxation in Para 6.01 (d) (i) read with Para 2.01 (a) of the FTP for granting permission to import Used Cooking Oil'(UCO) – HSN 15180040 for the Manufacture and Export of Biodiesel as an EOU.

The applicant stated that they are seeking for relaxation in para 6.01(d)(i) read with Para 2.01(a) of the FTP for granting permission to import 'Used Cooking Oil' (UCO)-HSN 15180040, a prohibited item of import for the manufacture and export of Biodiesel by EOU on the Following grounds:

(a) National Policy on Bio – fuels 2018 allow manufacture of bio Diesel by using used cooking oil as the feedstock.

(b) Bio-Diesel will be manufactured from Raw Material supplied by buyer as per agreement.
(c) They approached by FSSAI as authorized collector of 'USD' for manufacture of Bio Diesel for EOUs from imported sources only.
(d) They shall maintain all standard, control measures and requirement under any other applicable laws.
(e) Imported UCO cannot be diverted in DTA as Customs will not clear a prohibited item.
(f) They have already obtained all applicable pollution control Board clearances.
(g) BOA has allowed UCO to two SEZ units for the same purpose.
(h) DC VSEZ, DC Customs and Doc have also recommended their proposal.

Decision: The Committee after having discussed the case at length observed that this request involves a policy issue, which requires detailed examination and approval of the competent authority. Hence, it decided to refer the case to PC-2(A) division for its examination. The PC-2(A) division is requested to take up the matter on file and obtain inputs from the concerned Ministries/ departments before taking a final decision in the matter with the approval of competent authority.

(Action: Applicant/PC-2(A))

Case No. 20 M/s. SNS Energy Pvt. Ltd., Vadodara
F. No. 01/60/162/694/AM20/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Extension of Export Obligation Period against Advance Authorization No.3410043681 dated 06.12.2017.

This is review case of PRC Meeting No25/AM20 dated 24.12.2019 (Case No.24) wherein the case was rejected by the Committee. The applicant stated that they had obtained one extension of the above mentioned authorization for six months, which is expiring on 05.12.2019. However, their consignee had requested them to hold the shipment up till end of December, 2019 informing them that they will let them know in the first week of January, 2020, when to on board the cargo. Under the circumstances though the cargo is ready to ship, they are unable to complete the EO before 5th December, 2019. Moreover, the above cargo cannot be exported in part as it has to be exported as one unit, in one lot, and as such they could not complete even 50% export obligation. Now, their client is showing his willingness to accept the materials. Hence, requested to grant extension till September, 2020.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and found no merit in the request and hence decided to maintain rejection of the earlier decision of PRC in its Meeting No.25/AM20 dated 24.12.2019 (Case No.24).

(Action: Applicant)

Case No. 21 M/s. Shital Fibres Limited, Jalandhar

F. No. 01/60/162/772/AM19/PRC
PRC Meeting No.03/AM21 dated 09.06.2020

Subject: Extension in EOP against 8 Advance Authorization without payment of composition fee. (i) 3010043132 dated 29.07.2005, (ii) 3010045201 dated 16.12.2005 (iii) 3010046474 dated 20.03.2006 (iv) 3010049089 dated 14.09.2006 (v) 3010056476 dated 20.05.2008 (vi) 3010073672 dated 18.03.2011 (vii) 3010073869 dated 25.03.2011 and (viii) 301009149 dated 29.01.2013.

This is review case of PRC Meeting No.12/AM20 dated 16.07.2019 (Case No.03) wherein the case was considered and firm has advised to approach Norms Committee for revised export product. The applicant stated that they requested to NC to modify the export obligation with description against 8 clubbed cases and Case No.31 was placed in its NC Meeting No.23/AM19 dated 14.02.2019 wherein the Committee felt that there is nothing wrong in representation of the firm in principle and asked to submit some documents. Meanwhile, they had approached to PRC for relaxation of EO extension in clubbed cases. PRC considered the case in its PRC Meeting No.12/AM20 dated 16.07.2019 (Case No.03). Accordingly, based on the decision of PRC as above they had approached Norms Committee, but it was informed that their case was considered in NC meeting No.06/AM20 dated 20.06.2019 (Case No.129(G) and was rejected.

Decision: The Committee went through the statement made by the firm and discussed the matter at length. It observed that the request of the firm has already been considered by the Committee in its PRC Meeting No.12/AM20 dated 16.07.2019 (Case No.03), wherein the firm was advised the firm to approach Norms Committee for revision in the export product. However, as the applicant has again submitted his representation before the PRC, the Committee decided to call the firm for **Personal Hearing** along with all documents in support of their justification.

(Action: Applicant/PRC)

Case No. 22: Incomplete Cases

Following cases were discussed. The Committee observed that the applications received without ANF 2D and Proof of Application Fee as per Appendix 2K (fully/partly) and also without Reasons/Justifications as per Column 15 of ANF 2D are to be treated as incomplete applications. Therefore, such cases are not been taken up by the Committee are as mentioned below:

S. No.	Name of the firm	Subject of the firm	Remarks
1.	M/s. Encore Healthcare Pvt. Ltd., Mumbai	Relaxation for the export of Paracetamol (Ref: Notification no. 50/2015-2020)	ANF 2D and proof of application fee not submitted
2.	M/s. Sulzer Pumps India Limited, Mumbai	2nd Extension of the Advance License (IEC 0388089288) Mumbai for further six months as per para 4.42 of FTP 2015-20	ANF 2D and proof of application fee not Submitted

3.	M/s. Botil Oil Tools India Pvt. Ltd., New Delhi	Considering export shipping bill no. 3897374 dated 16.07.2014 as DES shipping bills instead of white shipping bill because of the non – referring of the Duty free Advance Authorization no. 0510387698 dated 09.05.204 received by BOTIL under Duty Exemption Scheme.	ANF 2D and proof of application fee not submitted
4.	M/s. Botil Oil Tools India Pvt. Ltd., New Delhi	Considering export shipping bill no. 9095092 dated 21.12.2013 as DES shipping bills instead of white shipping bill because of the non – referring of the Duty free Advance Authorization no. 0510370386 dated 06.11.2013 dated 09.05.204 received by BOTIL under Duty Exemption Scheme.	ANF 2D and proof of application fee not submitted
5.	M/s. Avadh Gun House, Lucknow	Extension of time in import license no. 0650000395 dated 26.12.2018.	ANF 2D and proof of applicationnot submitted
6.	M/s. ElaheeBuksh& Company, Lucknow	Extension of time in import license no. 0650000396 dated 26.12.2018.	ANF 2D and proof of applicationnot submitted

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