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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 01.05.2019 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No.04/AM20 held on 01.05.2019

The following members were present in the meeting:

1. Shri K.C. Rout — Addl. DGFT
2. Shri R. P. Goyal — Addl. DGFT
3. Shri Vijay Kumar — Addl. DGFT
4. Shri Satyan Sharda — Addl. DGFT
5. Shri N.K. Srivastava — Addl. DGFT
6. Shri Anil Aggarwal — Addl. DGFT
7. Shri Rajbir Sharma — Jt. DGFT
8. Dr. Praveen Kumar — Dy. 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 V-Ensure Pharma Technologies Pvt. Ltd., Mumbai	1
2.	M/s Shubhalakshmi Polyester Limited, Gujarat	2
3.	M/s Garden Silk Mills Limited, Surat	3
4.	M/s Mew Electricals Limited, Vadodara	4
5.	M/s Raghav Export, Ludhiana	5
6.	M/s SAS International, Faridabad	6
7.	M/s RSI Private Limited, Kolkata	7
8.	M/s MI Industries (India) Pvt. Ltd., New Delhi	8
9.	M/s Jaya Kumaran Exports, Tamil Nadu	9
10.	M/s Intas Pharmaceuticals Limited, Ahmedabad	10
11.	M/s Thirumalai Chemicals Limited, Mumbai	11 to 17
12.	M/s Leoni Cable Solutions India Pvt. Ltd., Pune	18
13.	M/s Redsun Tea Limited, New Delhi	19
14.	M/s Leeboy India Construction Equipment (P) Ltd., Bengaluru	20
15.	M/s Bharat Silks, Bangalore	21 to 23
16.	M/s ACG Associated Capsules Pvt. Ltd., Mumbai	24
17.	M/s Salicylates and Chemicals Pvt. Ltd., Hyderabad	25
18.	Incomplete Cases	26

PH Case No.01 M/s V-Ensure Pharma Technologies Pvt. Ltd., Mumbai
F. No. 01/60/162/669/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in Para 3.04 (b) of FTP 2015-20 to file SEIS Claim for FY 2015-16 for 2nd time.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Sathyanarayana Vemula, CEO appeared before the committee on behalf of the firm and made the following submissions:

They have stated that they were not fully aware of policy provision related to SEIS. Since it was a relatively new scheme and they were of the view that application procedure for SEIS would be same as MEIS and hence they can apply for part claim. Due to this oversight & big mistake, they are losing their incentives to the tune of 40-50 Lakh (Rupees). This incentive amount would be of great help to increase their existing capacity and procure more orders. So the request is to make supplementary application for SEIS.

Decision: The Committee heard the submission made by the firm and found no case of genuine hardship in their case and accordingly decided to reject it.

(Action: Applicant)

PH Case No.02 M/s Shubhalakshmi Polyesters Limited, Gujarat
F. No. 01/60/162/27/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To allow MEIS benefit against 27 Shipping bills in which 'N' mentioned in reward column due to change in HSN Code.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Jay Prakash Singh, Deputy General Manager Export appeared before the committee on behalf of the firm and made the following submissions:

Their exported products are falling under HSN code 39076910 & 39076920, totaling to Rs.24,06,22,297/- and thereby are entitled to MEIS benefit @ 2% amounting to Rs. 48,12,449/-. Polyester chips harmonized Nomenclature was changed as per section 141 and 146 of the Finance Act, 2016 and the WCO Harmonised system nomenclature 2017 version was implemented w.e.f. 01/01/2017. The changed Harmonised code was not in the MEIS codes list notified by Ministry of Commerce, and therefore the export of their goods under the new HSN code was not allowed by Hazira Customs Office. Moreover Hazira customs office also not allowed them to mention 'intent declaration' on the shipping bills. The new HSN code 39076910 & 39076920 applicable to their products were incorporated in the MEIS scheme vide PN 17/2015-2020 dated 22nd August, 2017 and the same was made effective retrospectively from 01/01/2017 and thereby the error was rectified. They could not make online application for claiming the MEIS exports benefit as mentioned above as system didn't allow them to make the online application due to mentioning of "N" on the shipping bills. Subsequently, they received certificate of amendment to include reward item "Y" in the shipping bills relating to the above export consignments from the Customs Office, Hazira Port. They have made a manual application to the DGFT office, Surat, Gujrat to claim the MEIS benefit amounting to Rs.48,12,449/- which has not been accepted.

Decision: The Committee went through the statements made by the firm and observed that there is a merit in the firm's contention. However an appropriate procedure is required to be laid down to deal with such cases. Accordingly, it decided to refer the issue to PC-3/EDI Division to examine and resolve the problem.

(Action: PC-3/EDI division)

PH Case No.03 M/s Garden Silk Mills Limited, Surat
F. No. 01/60/162/47/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in E.O. period against 3 Advance Authorization No. (i) 5210041521 dated 13.05.2015, (ii) 5210041757 dated 09.02.2016 and (iii) 5210041758 dated 09.02.16 for a period of 2 or 3 months.

Or

Accepting the excess exports vide 272 shipping bills towards closure of the above 3 Advance Authorizations. These shipping bills were already used in EODC of 7 Authorizations and were in excess.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Debdutta Chatterjee, Senior Vice – President – Commercial appeared before the committee on behalf of the firm and made the following submissions:

They have stated that they had obtained 10 AAs from RA Surat (3 as mentioned above and 7 as (i) 5210041285 dated 05.11.2014, (ii) 5210041354 dated 19.12.2014, (iii) 5210041391 dated 12.01.2015, (iv) 5210041454 dated 03.03.2015, (v) 5210041495 dated 16.04.2015, (vi) 5210041344 dated 10.12.2014 and (vii) 5210041359 dated 22.12.2014). In 7 out of 10 as mentioned above, they had made excess exports. Their intention was to club all these 10 licences together. However by mistake and oversight, bond waiver was obtained in the 7 authorisations as per para 4.47 (a) of HBP. PN No.32 dated 18.10.2017 and PN No.70 dated 30.01.2019 allowed clubbing only for the purpose of EODC / Redemption, and Bond Waiver cases were not allowed. Therefore now, they want to complete the EO under these authorisations for the corresponding excess imports within 03 month's time.

Decision: The Committee examined the case in detail and in view of justification provided by the firm decided to accede to the request of the firm for extension in EOP of three Advance Authorizations. The Committee decided to allow 3 months EOP extension in Advance Authorization No.5210041521 dated 13.05.2015 and 2 months EOP extension in other two Advance Authorization No.5210041757 dated 09.02.2016 and 52100041758 dated 09.02.2016 from the date of endorsement. This is subject to payment of composition Fee @0.5% per month on the unfulfilled FOB Value, if exports have been made more than 50% within EOP or @ 1% per month where exports have been made less than 50% within the EOP. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No.04 M/s Mew Electricals Limited, Vadodara
F. No. 01/60/162/682/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Clubbing of Advance Authorization No.3410038844 dated 30.12.2013 and 3410041230 dated 18.05.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Ravindra N. Singh, Manager appeared before the committee on behalf of the firm and made the following submissions:

They have stated that the clubbing is not considered by RLA, Vadodara as input and output are different and SION are also different. They further stated that under both SIONs, for the Export Products, they can use input copper Rod / Copper Cathode. They have opted input as per availability at that time and difference in the inputs is only in form of material and Contents of both are same.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and observed that imported material Copper Cathode and Continuous cast copper rods are similar items and are allowed as alternate items as an input. The Committee therefore, decided to allow clubbing of Advance Authorization No.3410038844 dated 30.12.2013 and 3410041230 dated 18.05.2015 with accounting of inputs as per the SIONs. The other terms and conditions for clubbing shall remain same as per Policy/HBP provisions.

(Action: Applicant/RA)

PH Case No.05 M/s Raghav Export, Ludhiana
F. No. 01/60/162/360/AM17/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in E.O. period up to 31.05.2016 and amend the export product against Advance Authorization No.3010086343 dated 30.05.2012.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Sanjeev Jain, Authorized Representative appeared before the committee on behalf of the firm and made the following submissions:

They have already completed the EO value wise but quantity wise there was shortfall of 1058.220 Kgs within the extended EO period. However, unfortunately, they were only able to complete 41.63% of EO due to recession in overseas market and lack of orders for 100% knitwear. The EO has now been completed by exporting ladies woolen Knitwear (90% wool, 10% Polyester) and ladies Woolen Knitwear (90% Wool, 10% Polyester with Inter lining 100% Polyester). ITCHS Code – 61101190 on Provisional basis on 28.05.2016. Request is for EO extension up to 31.4.2016 for the purpose of regularization. The said item does not falls under SION.

Decision: The Committee heard the submission made by the firm and found no case of genuine hardship in their case and accordingly decided to reject it.

(Action: Applicant)

PH Case No.06 M/s SAS International, Faridabad
F. No. 01/60/162/29/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in EOP of 4 Annual Advance Authorization No. (i) 0510390018 dated 30.07.2014, (ii) 0510395575 dated 10.09.2015, (iii) 0510392102 dated 21.11.2014 and (iv) 0510393955 dated 24.04.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Sumit Kumar Agarwal, GM (Admn) a;nd Shri Siddharth, Representative appeared before the committee on behalf of the firm and made the following submissions:

They have stated that in Authorization No.0510390018 dated 30.07.2014 and 0510392102 dated 21.11.2014, although EO in terms of overall quantity and value were achieved, there was shortage of quantity achievement against some of the individual inputs namely silk fabric, mulberry waste and flax yarn. The EO in value term has been achieved almost five times and three and half times respectively. There was shortage in quantity term. But the exports were made through free shipping bills or DBK shipping bills as customs refused to endorse these shipping bills as exports against these Annual Advance authorizations, as these contained silk as an input. As far as Authorization No.0510395575 dated 10.09.2015 and 0510393955 dated 24.04.2015 are concerned, as a result of restrictions imposed by Customs in export, they were unable to make any exports under these authorizations resulting in NIL EO fulfillment.

Decision: The Committee heard the case in detail and decided to reject the request of the firm for Extension of EOP of two Annual Advance Authorization No.0510393955 dated 24.04.2015 and 0510395575 dated 10.09.2015 in which no exports have been made at all. However, in the other two Annual Advance Authorization No.0510390018 dated 30.07.2014 and 0510392102 dated 21.11.2014, the Committee observed that firm had fulfilled the EO substantially, but those shipping bills (free or DBK bills) have not been endorsed by customs towards discharge of export obligation and firm faced a genuine difficulty at the time of exports. Accordingly, committee decided to allow EOP extension for a period of six months from the date of endorsement to fulfill the stipulated EO on these two authorizations. Firm would approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.07 M/s RSI Private Limited, Kolkata
F. No. 01/60/162/909/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in E.O. period of Advance License No.P/W3496478/C dated 27.10.1994.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri S. Banerjee, Representative appeared before the committee on behalf of the firm and made the following submissions:

They have stated that under exceptional circumstances, they have been approaching PRC explaining their genuineness, obstacles and hardships faced by them. Extension was granted, endorsement wasn't made for being unable to pay composition fees, sick units were though exempted. Upon receipt of EOP during 2009, they made efforts to begin exports. However, Customs Authorities did not endorse the exports on the plea that the licence and the DEEC Book were in old format. No remedy was given to their representations. Hence, further exports could not be made possible. Owing to erosion of Net worth, they had to approach BFIR for Rehabilitation. They were declared sick on 23.07.2012. Just around formalization of their scheme, SICA Act got repealed during December 2016. Unfortunately, their proposal got aborted. Notwithstanding considerable changes in the overall economic scenario over the years, they continued their EOP in line with the SPIRIT of the Policies resting with July 26, 2018. But for the subject pendency, all prior obligations were fully met.

Decision: The Committee having discussed the case observed that it is very old case and AA in this case was issued in 1994. More than 25 years have passed but firm has not been able to fulfill the EO and close their case. It found no merit in the request of the firm and hence decided to reject it. The applicant is directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2010 within 30 days from the date of uploading of the minutes of meeting.

(Action: RA, Kolkata: if the applicant fails to get the case regularized within a month from the date of uploading of these minute on the Directorate website, necessary action as per the provisions of F.T.(DR)Act, shall be initiated)

PH Case No.08 M/s MI Industries (India) Pvt. Ltd., New Delhi
F. No. 01/60/162/908/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To allow TED claim on the basis of manual BRC instead of e BRC against file No.05/40/81/150/AM16.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019, but no one appeared on behalf of the firm. Accordingly, the Committee decided to defer the case.

(Action: Applicant)

PH Case No.09 M/s Jaya Kumaran Exports, Tamil Nadu
F. No. 01/60/162/042/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in respect of description of the export product against 2 Advance Authorization No. (i) 3210077869 dated 18.04.2016 and (ii) 3210077870 dated 18.04.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri V. Rajesh, Exports & Imports Manager appeared before the committee on behalf of the firm and made the following submissions:

They had obtained two advance authorizations for the export products as Ladies Top (Norms Committee- New Delhi had ratified norms) & Ladies Shorts (Ladies Shorts covered under SION – J292). At the time of exports, for the identification as set, the buyer has requested them to mention the description as Pyjama Sets. Accordingly, they had mentioned the export products as Pyjama Sets, instead of Ladies Top & Ladies Shorts, except in the last shipping bill number 8398480 dated 21.06.2016. In the EDI shipping bills also, they have declared the consumption separately for Ladies Top & Ladies Shorts. It is further submitted that they have fulfilled the export obligation with a value addition of 93%. They further stated that their request for amendment in the export product made to PRC was forwarded to Norms committee. NC in turn, had ratified norms for ladies shorts, which are already covered under SION – J292, instead of relaxation in export product.

Decision: The Committee heard the submission made by the firm and decided to refer the issue to NC-5(Textile) Division to decide the norms for the products exported by the firm and to finalize the case.

(Action: Applicant/ NC-5(Textile) Division)

PH Case No.10 M/s Intas Pharmaceuticals Limited, Ahmedabad
F. No. 01/60/162/38/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in respect of destruction of goods procured under 148 advance authorizations.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri Sree Ram Kaza, Vice President – Indirect Taxation appeared before the committee on behalf of the firm and made the following submissions:

They have stated that matter is regarding the destructions of inputs procured under 148 advance authorization (issued under PC 9 – import from unregistered sources and with pre-import condition) or finished goods manufactured there from. As per the terms of FTP / Advance Authorization, in such cases, they are required to destroy such cases in the presence of Central Excise Officer/ Customs Officer (in reference with the initial Policy Circular No. 18 dated 31.10.2007 read with Para 4.49 (g) of

HBP 2015-20). At present, neither the Customs Authority nor the GST Authority and nor the Central Excise Authority are able to supervise & certify such destruction. Further, the chief Commissioner of Customs has referred the matter to the CBIC for clarification.

Decision: The Committee went through the statements made by the firm in their application and after deliberations, it decided to waive off the requirement of destruction certificate from the excise authorities subject to the condition that in each case the applicant would submit a self declaration about destruction of such duty free materials along with an affidavit-cum-indemnity bond in order to indemnify the Government for any harm or loss occurring due to diversion of such materials imported from unregistered sources in the domestic market that may be detected in future by any Authority.

Committee also decided that since many firms are facing this issue in the post-GST scenario, PC 4 division would examine this issue in its entirety and suggest possible policy changes.

(Action: Applicant/RA/ PC 4 Division)

PH Case No.11 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/58/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161333 dated 23.11.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.12 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/56/AM20/PRC

PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161280 dated 05.11.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.13 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/57/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161716 dated 14.09.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.14 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/54/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161004 dated 10.09.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.15 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/55/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161608 dated 16.02.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.16 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/60/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161267 dated 03.11.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.17 M/s Thirumalai Chemicals Limited, Mumbai
F. No. 01/60/162/59/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: To condone the procedural lapse of non generating Bill of exports against supplies made to M/s Meghmani Organics Ltd- a unit located in SEZ Bharuch under Advance Authorization No.0410161111 dated 14.10.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Paramasivan, Head – Import/Export

Logistics appeared before the committee on behalf of the firm and made the following submissions:

They have stated that since Bill of Export were not filed, their current export to SEZ become ineligible for EO discharge. Hence request to grant EOP extension up to 31.08.2017 to accept the additional exports in lieu of ineligible exports for regularization as per earlier decision vide PRC Meeting No.27/AM19 dated 08.01.2019.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, the committee allowed EOP extension up to 31.8.2017 for regularization purpose and to accept the additional exports made to 100% EOU in lieu of ineligible exports earlier made to SEZ. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

PH Case No.18 M/s Leoni Cable Solutions India Pvt. Ltd., Pune
F. No. 01/60/162/00906/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Inclusion of exports made under alternate HSN code in the original EPCG Authorization from 2013 onwards against EPCG Authorization No.3130007406 dated 12.06.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 01.05.2019. Shri N. Swaminathan, Chief Finance Officer appeared before the committee on behalf of the firm and made the following submissions:

Their request is for inclusion of exports made under alternate HSN code (HS 85444999) against original EPCG authorization from June 2013 onwards. It was explained that the company inadvertently missed out on mentioning alternate HSN code at the time of filing original EPCG application. All imported machines use same raw material to manufacture both alternate as well as original HSN products (HS 85441190). Further, both products are similar in nature and are manufactured without any change in production process. HSN classification of both manufactured products is same at 4 digit level. The request is to consider supplies made under alternate HSN code for supplies made to SEZ Unit for fulfillment of specific EO. They supplied alternate HSN products to SEZ unit, wherein payment was realized in INR from Indian currency account. Since the above authorization was issued June 12, 2013, they would be governed by relevant provision of HBP 2009-14 which allowed rupees export to SEZ units.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. In view of the submissions made by the firm in their representation and in the hearing, committee decided to accept request of the firm to include exports made under alternate HS code (HS 85444999), in addition to original HS

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code (HS85441190) towards discharge of specific EO of EPCG authorization from 2013 onwards.

(Action: Applicant/RA)

Case No.19 M/s Redsun Tea Limited, New Delhi
F. No. 01/60/162/849/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Revalidation of 3 shipping bills (i) 4833931 dated 21.12.2015 (ii) 9861602 dated 29.05.2015 and (iii) 9860923 dated 29.05.2015 and consideration for applying physical shipping bill online which got expired for claiming MEIS.

They have filed their application with concerned authorities in time with CLA Delhi and then on advice of CLA, Delhi (in view of jurisdictional issues), application was filed in MEPZ Tambaram, Chennai but same got rejected on account of being time barred.

<u>**Decision:**</u> The committee went through the statements made by the firm and noted that there is merit in the case and accordingly decided to allow the benefit of MEIS to the firm against 3 Shipping Bill No. (i) 4833931 dated 21.12.2015 (ii) 9861602 dated 29.05.2015 and (iii) 9860923 dated 29.05.2015. Concerned DC, SEZ may accept the application and process the case. Late cut, if any, on the entitlement will be decided taking date of submission of application in CLA, New Delhi as the date of application.

(Action: Concerned DC, SEZ/Applicant)

Case No.20 M/s Leeboy India Construction Equipment (P) Ltd., Bengaluru
F. No. 01/60/162/40/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in E.O. period against Advance Authorization No.0710107065 dated 26.11.2014.

They have stated that recently M/s Polyhose India Pvt. Ltd., had acquired M/s Leeboy India Constructions during October, 2018. After Acquisition by Polyhose it was found that the company did not fulfill the EO within the specified period of 18 months. Despite of not getting EOP extension from RA Bangalore, they continued to their export production against the said advance authorization around 32.70 Crores.

<u>**Decision:**</u> The Committee having discussed the matter at length decided to accede to the request of the firm and allowed EOP extension for a period of 12 months from the date of endorsement subject to payment of composition Fee @0.5% per month on the unfulfilled FOB Value, if exports are made more than 50% within the EOP or @ 1% per month where exports have been made less than 50% within the EOP. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: RA/Applicant)

Case No.21 M/s Bharat Silks, Bangalore
F. No. 01/60/162/45/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in the condition of General Note No.14 for textiles against Advance Authorization No.0710111101 dated 08.02.2017 in which import of silk fabric is not permitted for items mentioned in SION at S.No.J0270 to J-296

They have obtained the above Special Advance Authorization to import 100% Silk printed fabric in different varieties to manufacture and export ladies dresses and ladies blouses. They imported the fabric, manufactured and exported the garments and realized the payment in foreign currency. However, RA Bangalore vide letter dated 05.02.2019 informed them that the silk fabric was not permitted to be imported under SION J-270 to J-295, hence they should pay the Custom duty on the entire quantity of imported fabrics and close the case. Fact of the matter is that whatever quantity of silk fabric they have imported, have been consumed in the manufacture of garments which have been exported out. Export obligations have been fulfilled in full in proportion of the quantity of import.

<u>Decision</u>: The Committee went through the submission made by the firm and after discussing the matter at length, it decided to accede to the request of the firm for relaxation in General Note 14 of Textile sector towards fulfillment of export obligation against Advance Authorization No.0710111101 dated 08.02.2017 for closure purpose.

(Action: RA/Applicant)

Case No.22 M/s Bharat Silks, Bangalore
F. No. 01/60/162/46/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in the condition of General Note No.14 for textiles against Advance Authorization No.0710111270 dated 10.03.2017 in which import of silk fabric is not permitted for items mentioned in SION at S.No.J0270 to J-296.

They have obtained above Special Advance Authorization to import 100% Silk printed fabric in different varieties to manufacture and export ladies dresses and ladies blouses. They imported the fabric manufactured and exported the garments and realized the payment in foreign currency. However, RA Bangalore vide letter dated 05.02.2019 informed them that the silk fabric was not permitted to be imported under SION J-270 to J-295, hence they should pay the Custom duty on the entire quantity of imported fabrics and close the case. Fact of the matter is that whatever quantity of silk fabric they have imported, have been consumed in the manufacture of garments which have been exported out. Export obligations have been fulfilled in full in proportion of the quantity of import.

<u>Decision</u>: The Committee went through the submission made by the firm and after discussing the matter at length, it decided to accede to the request of the firm for relaxation in General Note 14 of Textile sector towards fulfillment of export obligation against Advance Authorization No.0710111270 dated 10.03.2017 for closure purpose.

(Action: RA/Applicant)

Case No.23 M/s Bharat Silks, Bangalore
F. No. 01/60/162/44/AM20/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Relaxation in the condition of General Note No.14 for textiles against Advance Authorization No.0710110664 dated 17.11.2016 in which import of silk fabric is not permitted for items mentioned in SION at S.No.J0270 to J-296.

They have obtained above Special Advance Authorization to import 100% Silk printed fabric in different varieties to manufacture and export ladies dresses and ladies blouses. They imported the fabric manufactured and exported the garments and realized the payment in foreign currency. However, RA Bangalore vide letter dated 05.02.2019 informed them that the silk fabric was not permitted to be imported under SION J-270 to J-295, hence they should pay the Custom duty on the entire quantity of imported fabrics and close the case. Fact of the matter is that whatever quantity of silk fabric they have imported, have been consumed in the manufacture of garments which have been exported out. Export obligations have been fulfilled in full in proportion of the quantity of import.

Decision: The Committee went through the submission made by the firm and after discussing the matter at length, it decided to accede to the request of the firm for relaxation in General Note 14 of Textile sector towards fulfillment of export obligation against Advance Authorization No.0710110664 dated 17.11.2016 for closure purpose.

(Action: RA/Applicant)

Case No.24 M/s ACG Associated Capsules Pvt. Ltd., Mumbai
F. No. 01/60/162/603/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Clubbing of 2 Advance Authorization No.030796423 dated 04.06.2015 and 0310810107 dated 23.12.2016.

They have completed 100% EO against 1st Authorization No.0310796423 dated 04.06.2015. But all shipping bills description is mentioned as per the applied License and the Norms Committee has ratified the norms changing the description of the export item. They submitted above said license for redemption to concerned RA office, but RA issued them letter stating that the export description is not matching with the norms approved by the Committee. After receiving rejection letter from concerned RA, they removed all the shipping bills of the 1st License and re-submitted their request for clubbing with License No.0310810107 dated 23.12.2016 in which they have only made exports and no imports have been affected. But the concern

RA office has again rejected informing as their request for clubbing 2 authorizations cannot be considered as the subsequent authorization is issued beyond the validity of 1st authorization. Hence, requested to condone the period of 20 days to club the licenses.

Decision: The Committee having discussed the matter at length and decided to relax the condition of 18 months as laid down in Para 4.38(vi) (i.e. the delay of 20 days) as amended vide Public Notice No.70/2015-20 dated 30.01.2019 for clubbing of Advance Authorization No.0310796423 dated 04.06.2015 and 0310810107 dated 23.12.2016. The other terms and conditions for clubbing shall remain same as per Policy/HBP provisions.

(Action: RA/Applicant)

Case No.25 M/s Salicylates and Chemicals Private Limited, Hyderabad
F. No. 01/60/162/320/AM19/PRC
PRC Meeting No. 04/AM20 dated 01.05.2019

Subject: Extension in E.O. period for regularization purpose against Advance Authorization No. 0910063789 dated 10.06.2016.

They have submitted that they have been granted permission for second extension of above advance authorization vide the PRC Meeting No.14/AM19 dated 04.09.2018. However, there was slight delay in their part to remit the 1st composition fee. As the records of the customs validity of the said license has already been over and system will not capture advance authorization number while filling shipping bill. Under the circumstances, they will be exporting the material before the validity of second extension under free shipping bill and the same may be considered at the time of regularization / redemption of the said license.

Decision: The committee went through the statement made by the firm in its application and noted that the facts of the case have not been clearly specified by the firm and hence decided to call the firm for **Personal Hearing.**

(Action: PRC/Applicant)

Case No. 26: Incomplete Cases

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

S. No.	Name of the firm	Subject of the firm	Remarks
1.	M/s. Usha Martin Limited, Kolkata	Request for manual filing of MEIS application in view of the late uploading of the e-BRC by the Banks.	Proof of fee not submitted

2.	M/s. Durlax India Pvt. Ltd., Mumbai	Second Extension of EOP of Advance license no. 0310812403 dated 10.04.2017.	ANF 2D and proof of fee not submitted
3.	M/s. Durlax India Pvt. Ltd., Mumbai	Second Extension of EOP of Advance license no. 0310812402 dated 10.04.2017.	ANF 2D and proof of fee not submitted
4.	M/s. Shirpur Gold Refinery Ltd, Maharashtra	Revalidation of import license for restricted list of import License no. 0350003402 dated 18.04.2017.	ANF 2D and proof of fee not submitted
5.	M/s. Hydroflex Pipe Pvt. Ltd., Ahmedabad	Revalidation / Extension in Validity in FMS License no. 0810118388 db. 14.02.2013, 0810123940 db. 19.08.2019, 0810123939 db. 19.08.2013	ANF 2D and proof fee not submitted
6.	M/s. The Hi-Tech Gears Limited	Request for Relaxation in validity shipping bills expired waiting for software malfunction SB no. 6693483 dated 26.03.2016	Proof of fee not submitted

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