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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 07.05.2019 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No.05/AM20 held on 07.05.2019

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 Bombardier Transportation India Pvt. Ltd., New Delhi	1
2.	M/s Indo Gulf Exports, Moradabad	2
3.	M/s Simplify Growth Research and Consulting private Limited, Delhi	3
4.	M/s Supreme Industries Limited, Mumbai	4
5.	M/s India Voyage Travel Pundits Private, Gurgaon	5
6.	M/s Tata Motors Limited, Mumbai	6
7.	M/s Techno Doors Private Limited, Kancheepuram, TN	7
8.	M/s Balkrishna Industries Limited, Mumbai	8
9.	M/s Emerson Climate Technologies (India) Pvt. Ltd., Pune	9
10.	M/s Ampacet Speciality Products Private Limited, Pune	10
11.	M/s Arkray Healthcare Pvt. Ltd., Surat	11
12.	M/s Talbros Sealing Material Pvt. Ltd., Delhi	12
13.	M/s Sutlej Ropes Pvt. Ltd., Mumbai	13 to 15
14.	M/s Healthcaps India Ltd., New Delhi	16
15.	M/s Neuland Laboratories Limited, Hyderabad	17

PH Case No.01 M/s Bombardier Transportation India Pvt. Ltd., New Delhi
F. No. 01/60/162/66/AM20/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: (i) To regularize MEIS Scrips obtained by them (ii) To permit MEIS Scrips for export of Metro Coaches for the balance period of <u>FTP 2015-20</u>, Howsoever classified (iii) To include HS code 86031000 in the list of goods which received MEIS benefit and (iv) To continue to provide MEIS benefits to export their products.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, Shri Amit Gupta, Director – Tax Asia Pacific Region appeared before the committee on behalf of the firm and made the following submissions:

They have been manufacturing and exporting Metro Train Coaches, classifying them under HS 8605, since inception of the company in 2009. They have availed MEIS benefit and received the same all along these years under Chapter 3. In fact the HS code was included in the MEIS schedule at their request only. However recently, DRI has issued them notices on the ground that their product gets classified under HS 8603 and not 8605. HS 8605 is not covered under the MEIS schedule. As a result entire operations of the firm are getting hampered.

<u>Decision</u>: The Committee went through the statements made by the firm and observed that it is a case of genuine error in classification by the firm. Accordingly there is a merit in firm's contentions made in their representations. In view of these observations, committee decided to refer the issue to PC-3 Division for examining the matter afresh and put up the same on file to DG for a decision.

(Action: PC-3 Section)

PH Case No.02 M/s Indo Gulf Export, Moradabad
F. No. 01/60/162/940/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: To allow FPS benefit against two File No.29/21/50033/AM19 and 29/21/087/50034/AM19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Nasir Khan, Authorized Representative appeared before the committee on behalf of the firm and made the following submissions:

They have dispatched two consignments to their foreign buyer. But the firm did not pay at that time due to the heavy losses in his business, because his shops and go-downs were demolished by their government due to the extensions of Holy City of Mecca. For this reason their buyer has not done the payment at the time. Now they has been sent them the payment and now they are requesting for the FPS Benefits.

<u>Decision:</u> The Committee went through the statement made by the applicant and discussed the matter at length. The Committee observed that due to delay in realization of payment and uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of FPS benefit against two File

No.29/21/50033/AM19 and 29/21/087/50034/AM19. Applicant need to approach RA within 30 days of uploading of the minutes of this committee on DGFT website.

(Action: Applicant/RA)

PH Case No.03 M/s Simplify Growth Research and Consulting Pvt. Ltd., Delhi
F. No. 01/60/162/67/AM20/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: To relax the technical requirement under Para 3.08(f) viz. holding of active IEC at the time of exports of services for claiming SEIS claim and to allow the SEIS Scrip (F.No.5/21/98/80462)/AM19).

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. Accordingly, the Committee decided to defer the case.

(Action: Applicant)

PH Case No.04 M/s The Supreme Industries Limited, Mumbai
F. No. 01/60/162/932/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: To condone the delay of submission of application for the claim of FPS Scheme under File No.03/93/087/50010/AM19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri G.N. Kore, General Manager (Commercial) and Shri K. Govindarajan, Representative appeared before the committee on behalf of the firm and made the following submissions:

They have stated that the exports against two shipping bill No.1514200 dated 29.08.2012 and 1526473 dated 30.08.2012 were made in the month of August, 2012 and they have realized the export proceeds through insurance Agency, ECGC on 27.11.2014. However the e BRC's of these shipping bills were uploaded only on 24.08.2018 by the RA Mumbai. As per Para 3.9.1 of HBP 2009-14, they can submit application for FPS Authorization only after the Shipping Bill & e BRC are uploaded in the EDI System. They submitted their FPS claim through online mode on 25.09.2018 as soon as they become aware of the uploading of e BRCs on EDI System. However application has been rejected as time barred. The delay in filling of application for FPS Authorization is due to delay in uploading of e BRCs.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. The Committee observed that due to delay in uploading of BRC, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of FPS benefit against File No.03/93/87/50010/AM19 without any late cut.

(Action: Applicant/RA)

PH Case No.05 M/s India Voyage Travel Pundits Private, Gurgaon
F. No. 01/60/162/70/AM20/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Relaxation under Para 3.08(f) of FTP regarding requirement of IEC at the time of rendering services.

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.06 M/s Tata Motors Limited, Mumbai
F. No. 01/60/162/243/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: To allow manually amended 24 Shipping bills by Customs for benefit of MEIS Scrip for Technical Reasons of EDI system showing "NO" in shipping bill in reward column whereas the check list was approved and filed with "YES"" supported with an amendment letter from Customs.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Pritam Singh Chabada, Director General Manager (Shipping) appeared before the committee on behalf of the firm and made the following submissions:

They have stated that they were fully aware with provisions for claim of MEIS for exports made after 30.09.2015 that shipment effected selecting "N" is not transmitted to DGFT Server by ICEGATE. Therefore issuance of duty credit scrip online under MEIS is not possible against EDI Shipping bills. In all the 24 shipping bills after print out, due to reasons not known to them, reward scheme declaration got changed as "No" from "Yes". Mumbai Customs accepted the issue and considered the correction for 24 shipping bills for reward scheme declaration from "No to Yes" manually vide letter dated 08.03.2018. However, system does not facilitate transmission of such correction electronically. As per Para 3.01 (g) of HBP for EDI Shipping, no manual feeding of shipping bill data is allowed/permitted. Since the Customs authority has corrected the shipping bill and export product description and ITCHS code is eligible for MEIS benefit, the request is to consider SBs for MEIS.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and noted that the amendment has been made manually by the Customs which is not transmitted/ available on the EDI Portal. Hence the Committee decided that EDI division may take up the matter with DG, System (customs) to forward these amended shipping bills in S/bills depository to DGFT, so that Chapter-3 benefit may be allowed to the applicant, in consultations with PC 3 division.

(Action: EDI/NIC/PC 3)

PH Case No.07 M/s Techno Doors Private Limited, Kancheepuram, TN

F. No. 01/60/162/661/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: To allow MEIS benefit against 11 time barred Shipping Bill No.(i) 3903085 dated 29.04.2015, (ii) 8845737 dated 05.04.2015, (iii) 1564119 dated 03.07.2015, (iv) 1870123 dated 17.07.2015, (v) 2072411 dated 28.07.2015, (vi) 2225468 dated 04.08.2015, (vii) 2766052 dated 01.09.2015, (viii) 2890922 dated 08.09.2015, (ix) 9113375 dated 20.04.2015, (x) 3432265 dated 07.10.2015 and (xi) 93042445 dated 25.05.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, Ms. N. Indumathi, Manager Finance & Accounts and Shri Ahmad Ansari, Manager Finance & Accounts appeared before the committee on behalf of the firm and made the following submissions:

They have stated that due to unavoidable circumstances and lack of knowledge, they were unable to file the S/Bills within stipulated time for the benefit of MIES scrip. They exported automatic doors for elevators to Arbue Port – Argentina and the relevant eBRC is available in DGFT site.

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

(Action: Applicant)

PH Case No.08 M/s Balkrishna Industries Limited, Mumbai
F. No. 01/60/162/820/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Relaxation in Para 3.01(g) of HBP Vol. I (2015-20) for manual amendment in FOB value in Shipping Bill No.4538982 dated 28.04.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri G. Krishnamoorthy, Branch Manager appeared before the committee on behalf of the firm and made the following submissions:

They have stated that while filling the above shipping bill at Customs their CHA M/s Divya Shipping & Clearing Service Pvt. Ltd, has wrongly filed the shipping bill with INR 3,38,351.05 instead of INR 3,383,510.00, which come to their notice upon applying for MEIS claim, that is on post shipment. They took the matter with Divya Shipping & Clearing Service Pvt. Ltd, for necessary amendment with Mundra Customs under section 149 of Customs Act, 1962. Customs, Mundra issued a manual amendment letter dated 16.05.2018. They again approached Customs, Mundra vide their letter dated 02.01.2019 for online amendment in the shipping bill so that they can apply for claim accordingly. Customs, Mundra verbally stated that there is no provision for amendment online, therefore issued shipment certificate for Export based on the relied documents of Export. They are unable to take MEIS benefit against the said shipping bill online. The losses to their MEIS benefit is to the tune of INR 91,356.30.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and noted that the amendment has been made manually by the customs which is not available on EDI Portal. Hence the Committee decided that EDI division may take up the matter with DG, System (customs) to forward these amended shipping bills in S/bills depository to DGFT, so that Chapter-3 benefit may be allowed to the applicant, in consultations with PC 3 division.

(Action: PC-3/EDI)

PH Case No.09 M/s Emerson Climate Technologies (India) Pvt. Ltd., Pune
F. No. 01/60/162/874/AM16/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Revalidation of two DEPB License No.3110060490 dated 30.09.2013 and 3110060422 dated 24.09.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Sanjeev Kachhal, Authorized Representative appeared before the committee on behalf of the firm and made the following submissions:

They have stated that the above 2 DEPB licenses could not be got verified by the Customs Mumbai due to an error appearing on the DGFT/Customs IT system, resulting in non-usability of these licenses by their company during their validity period. They have applied RA, Pune in January 2014 for rectifying the system error and retransmit the information to Customs Mumbai. During the process the validity of above 2 DEPB license got expired on March 2015. Hence requested to extend the validity and rectify the Error No 5, so that licenses can be verified and used by them.

Decision: The Committee went through the statement made by the applicant and concluded that there is a genuine hardship in this case and therefore decided to allow revalidation of DEPB License No.3110060422 dated 24.09.2013 and 3110060490 dated 30.09.2013 up to 31st March, 2020.

(Action: Applicant/RA)

PH Case No.10 M/s Ampacet Speciality Products Private Limited, Pune
F. No. 01/60/162/279/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Consideration of application for grant of Deemed Exports Drawback against invalidation of Advance Authorizations (Total 27 files).

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case giving one **last opportunity for personal hearing.**

(Action: Applicant)

PH Case No.11 M/s Arkray Healthcare Pvt. Ltd., Surat
F. No. 01/60/162/631/AM18/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Re-credit of 4% SAD - issuance of consolidated certificate (credit note) - regarding.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Prasad Bhat, Advocate appeared before the committee on behalf of the firm and made the following submissions:

The firm has stated that they have been issued consolidated certificate by customs (Sahar) being the amount towards 4% SAD in 2011 and 2012. Same was forwarded to RA Mumbai, in Original for the re-credit of 4% SAD (Special additional duty) to the firm. Communication happened between the RA Mumbai and the Customs Mumbai interpreting various Public Notices issued by DGFT Delhi regarding the re-credit of the amount. And finally in the year 2016 Customs, Mumbai asked RA, Mumbai to return the original consolidated certificate to Customs, Mumbai and asked RA Mumbai to give one time exemption for utilization of re-credit amount in DEPB scrips. RA Mumbai informed that all the documents have been destroyed after due process. Customs, Mumbai requested RA Mumbai to examine whether one time exemption for utilization of re-credit of amount in DEPB scrips for this firm only. RA Mumbai informed the Customs that they are not empowered to take a decision on this issue and asked to approach DGFTHqrs. Delhi being the competent authority in terms of Para 2.58 of FTP.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and observed that the matter does not involve any policy relaxation. RA Mumbai needs to examine the issue and resolve it as per the guidelines/ instructions issued in the matter and also grant 6 months time to the firm for utilization of this re-credit. If any relaxation is needed in the matter, same need to be brought out very clearly by RA Mumbai.

(Action: Applicant/RA Mumbai)

PH Case No.12 M/s Talbros Sealing Material Pvt. Ltd., Delhi
F. No. 01/60/162/0003/AM16/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Extension in E.O. period in respect of Advance Authorization No.0510347523 dated 26.02.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Karan Talwar, Managing Director and Shri V.P. Singh, Manager Works appeared before the committee on behalf of the firm and made the following submissions:

They have completed the export obligation 59.89% in terms of quantity and in terms of value more than 100%. After getting first EO extension, due to some major changes in export product from the overseas buyer they could not complete the EO against the authorization in this regard. Hence, they have requested for extension in E.O. period for 6 months from the date of endorsement for enabling them to complete the pending E.O. against the said authorization.

Decision: The Committee having heard and examined the statement made by the firm found no merit in their case and decided to reiterate earlier decision of PRC in its Meeting No.25/AM19 dated 18.12.2018.

(Action: Applicant)

PH Case No.13 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/760/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Revalidation of Advance Authorization No. 0310742423 dated 22.07.2013.

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.14 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/759/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Revalidation of Advance Authorization No. 0310722601 dated 31.03.2013.

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.15 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/761/AM19/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Revalidation of Advance Authorization No. 0310705441 dated 17.08.2012.

Decision: The applicant was called for personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.16 M/s Healthcaps India Ltd., New Delhi
F. No. 01/60/162/81/AM20/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Relaxation in Policy for redemption of 3 Advance Authorization No. (i) 2210015109 dated 20.10.2014, (ii) 2210015125 dated 12.11.2014 and (iii) 2210015015 dated 09.07.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 07.05.2019. Shri Om Prakash Gupta, Chief Finance Officer appeared before the committee on behalf of the firm and made the following submissions:

The firm has stated that they have made export to Syria against Shipping Bill No.5951316 dated 08.11.2014, 7630852 dated 05.02.2015, 8593971 dated 25.03.2015 and 7860143 dated 17.02.2015 for which they have received advance payment in SBI Sector 17-B Chandigarh. They had made request to State Bank of India for issuance of BRCs for payment received. State Bank of India informed them that Syria is USOFAC sanction country hence they are unable to issue Bank Realization Certificate for exports made to Syria in this case. Bank has issued a letter for this effect that payment has been received against the aforementioned 4 shipping bills but BRC cannot be issued. Original Bank letter issued against payment received in EURO and USD already submitted with.

Decision: The Committee went through the statement made by the applicant and concluded that there is a genuine hardship in their case and therefore decided to accept the letter No.CB/IB/298 dated 02.07.2018 and CB/IB/1505 dated 28.12.2018 issued by State Bank of India in lieu of e-BRC/FIRC for redemption of Advance Authorization No. 2210015015 dated 09.07.2014, 2210015109 dated 20.10.2014 and 2210015125 dated 12.11.2014.

(Action: Applicant/RA)

Case No.17 M/s Neuland Laboratories Limited, Hyderabad
F. No. 01/60/162/51/AM20/PRC
PRC Meeting No. 05/AM20 dated 07.05.2019

Subject: Allowing SHIS benefits on Pharma exports and allowing surrender of EPCG benefit.

They have stated that as per para 3.10.3 of HBP (w.e.f 05.06.2012 states that "In case an applicant has availed Zero Duty EPCG during 2010-11, 2011-12 , 2012-13 they shall not be eligible for SHIS for export made during that year." Later vide P.N. 12 dated 26.06.2012 states that "In case an applicant has availed Zero Duty EPCG authorization during the year 2010-11 or 2011-12 or 2012-13 they shall not be entitled to SHIS for that year (i.e. for export made during the respective previous years). In this confusion DGFT has given the option to surrender one benefit to the exporters who have availed two benefits. They had applied for SHIS for their export during the year 2012-13 and their case was rejected by RA Hyderabad as their product was under Chapter 29 which was not eligible for SHIS benefit. Later it is clarified by DGFT that chapter 28 and 29 are also eligible for SHIS benefit. Now they are eligible for SHIS. They have taken Zero duty EPCG benefit during the year of export covered under SHIS making them ineligible for SHIS benefits. Since previously they have not taken double benefit, they wish to surrender EPCG benefit i.e. EPCG along with payment of duty saved along with applicable interest for the export during 2012-13 which may be accepted and SHIS may be issued.

Decision: The Committee having examined the statement made by the firm and the relevant policy provisions concluded that there is merit in firm's contention and accordingly decided to accede to their request for allowing SHIS benefit on the export of Pharma product made during the year 2012-13 subject to surrender EPCG benefit with full payment of duty along with interest.

(Action: Applicant/RA)

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