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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 20.08.2019 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No.16/AM20 held on 20.08.2019

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 Anil Aggarwal	Addl. DGFT
6.	Shri S.B.S. Reddy	Addl. DGFT
7.	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 Rubamin Limited, Vadodara	1
2.	M/s Bombardier Transportation India Pvt. Ltd.,	2
3.	M/s Trident Limited, Ludhiana	3
4.	M/s Quadragen Vethealth Pvt. Ltd., Bengaluru	4
5.	M/s Premier Polyfilm Ltd., New Delhi	5
6.	M/s Sutlej Ropes Pvt.Ltd., Mumbai	6 to 8
7.	M/s Kopran Ltd., Mumbai	9
8.	M/s Indo Rama, Nagpur	10
9.	M/s Devinarayanan Exporters Pvt. Ltd., Chennai	11
10.	M/s Paragon Industries Ltd., New Delhi	12
11.	M/s Hindustan Adhesive Limited, New Delhi	13
12.	M/s Krishna Copper Pvt. Ltd., Mumbai	14
13.	M/s Kogta Exporters Pvt. Ltd., Mumbai	15 & 16
14.	M/s Same Deutz –Fahr India Pvt. Ltd., Tamil Nadu	17
15.	M/s Team A toys LLP, Tamil Nadu	18
16.	M/s SSS Global, Tamil Nadu	19
17.	M/s Imperial Readymade Garments Factory India Pvt. Ltd., Tamil Nadu	20 & 21
18.	M/s Indo Schottle Auto Parts Pvt. Ltd., Pune	22
19.	M/s Natural Capsules Limited, Bangalore	23
20.	M/s Cadila Healthcare Limited, Ahmedabad	24

PH Case No. 01 M/s Rubamin Limited, Vadodara

F. No. 01/60/162/260/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: To allow MEIS benefit against nine time barred shipping bills.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Bhuwan Purohit, Executive Director – Corporate Strategy & Planning appeared on behalf of the firm and made the following submissions:

They have stated that they had applied MEIS to RA Vadodara on 23.06.2017. However, RA had issued a deficiency letter dated 07.07.2017 asking them to submit landing certificate. They have submitted the reply on 16.08.2017. But RA again issued another deficiency letter on 26.09.2017 stating export description is not as per HS code. Based on PN No.62/2015-2020 dated 16.02.2018 they have approached RA Vadodara to grant them MEIS. However, on 18.12.2018, RA rejected their application. They approached DGFT NIC team to reactivate their shipping bills so that they can re-apply MEIS, but in the process, now, their shipping bills are time barred, even though they have applied their claim within the prescribed time.

<u>**Decision**</u>: The Committee heard the submission made by the firm and discussed the matter at length and it decided to refer the issue to PC-3 Division for its examination and resolution.

(Action: PC-3 Division)

PH Case No. 02 M/s Bombardier Transportation India Pvt. Ltd., New Delhi
F. No. 01/60/162/66/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: (i) Regularization of MEIS benefits in relation to the export of multiple units/Metro Coaches made by them till date. (ii) Permit MEIS for export of Metro Coaches for the balance period of <u>FTP 2015-20</u>, howsoever classified. (iii) Include HS code 86031000 in the list of goods which received MEIS benefit and (iv) Continue to provide MEIS benefit to export their products.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Amit Gupta, Director – Tax, Asia Pacific Region appeared on behalf of the firm and made the following submissions:

They have stated that they have been manufacturing and exporting Metro Train Coaches, classifying them under HS 8605 since 2009. They have availed MEIS benefit also for the same. Recently, it has come to their notice, upon issue of notices by DRI, that the actual classification of the Metro Coaches manufactured by them could be under HS 8603, specifically under ITC HS Tariff line HS 86031000. This tariff line does not appear in the list of products eligible for MEIS benefits. They contended that MEIS rates for metro train coaches were in fact fixed in the schedule at their representation only, in the past. They, therefore earlier had sought to regularize the MEIS benefits already availed by them and also permit MEIS benefit for export of Metro Coaches for the balance period of <u>FTP 2015-2020</u>, howsoever

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classified, by including HS 86031000 in the list of goods which receives MEIS benefits. However their request now is only to regularize the MEIS on the exports already made by them.

Decision: The Committee having reviewed the case on the basis of justification furnished by the firm and discussed the matter at length and observed that there is merit in their case and it in fact is a case of genuine error in the classification of item. Accordingly committee decided to accept request of the firm for regularization of MEIS benefits already availed by them for the exports made under ITCHS Code 8603 before 23.04.2019. The export of Metro Train Coaches made under ITCHS Code 8603 by the applicant may be treated under the ITCHS Code 8605 which appear in the list of products eligible for MEIS benefits. Committee also decided that firm will refund duty drawback differential, if any, along with interest which may have occurred due to this classification error. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 03 M/s Trident Limited, Ludhiana
F. No. 01/60/162/383/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Revalidation of SHIS License No.05101351830 dated 17.04.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Amit Gupta, President – Strategic Finance appeared on behalf of the firm and made the following submissions:

They have stated that the above SHIS License was in the Custody of Customs for 21 days (from 25.09.2014 to 16.10.2014) and has expired during the custody of customs. They had filed bill of Entry No.6881441 for clearance of Networking Equipment on 25.09.2014 by utilizing the SHIS No. 0510351830 dated 17.04.2013. The said SHIS license got expired on 16.10.2014. The Customs dispatched same to them on 17.10.2014, which was delivered to them on 25.10.2014. As such, they could not utilize, since the Customs Authorities at Bangalore took 23 days for rejection of license. The customs had mentioned in their letter that their request for revalidation can be considered as the SHIS license could not be utilized by them subsequent to the date of rejection due to expiry of the license.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and decided to accede to the request and allowed revalidation of SHIS Authorization No.0510351830 dated 17.04.2014 for a period of 3 months from the date of endorsement. 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 Quadragen Vethealth Pvt. Ltd., Bengaluru
F. No. 01/60/162/80/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

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Subject: Revalidation of 3 Advance Authorizations No.(i) 0710109281 dated 18.01.2016 (ii) 0710109282 dated 18.01.2016 and (iii) 0710110849 dated 27.12.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri V. Suresh Kumar, AGM – Exim & Admin appeared on behalf of the firm and made the following submissions:

They have stated that delay in their case was mainly caused by late fixation of Norms by the Norms Committee. After submitting their application for issuance of Advance Authorization under Para 4.7 to RA, Bangalore, they forwarded their request for fixation of norms by email to NC-VI on 16.03.2016. As there was no response to their requests, they approached RA, Bangalore to send a request with required documents for Fixation of Norms. Accordingly RA, Bangalore has forwarded the request letters dated 06.01.2017 & 12.01.2017 which have been filed with. However they neither received any information nor any deficiency letters relating to Norms fixation from the norms committee even after lapse of more than a year. The delay in Norms fixation / Ratification even after the lapse of 2 years which resulted in non submission & delay in obtaining EODC's from RA, Bangalore. Norms were finally fixed in NC meeting of 30.8.2018. As a result of all such delays, they could not use the AAs for imports. EO has been fulfilled in these cases and cases for EODC are pending with RA Bangalore.

Decision: The Committee heard the submission made by the representative of the firm and discussed the matter at length and noted that due to delay in fixation of Norms the firm has faced the problem which was beyond their control. Therefore, Committee decided to allow revalidation of three Advance Authorisations No.(i) 0710109281 dated 18.01.2016 (ii) 0710109282 dated 18.01.2016 and (iii) 0710110849 dated 27.12.2016 for a period of 6 months from the date of endorsement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 05 M/s Premier Polyfilm Ltd., New Delhi
F. No. 01/60/162/178/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Revalidation of Advance Authorization No.0510398731 dated 07.06.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Kamal Dayal, Vice President (Special Projects) appeared on behalf of the firm and made the following submissions:

They have stated that due to change in HS Code of PVC resin in ITC HS Code after introduction of GST, there was mismatch of HS code in the Advance Authorization issued in 2016 and the new HS code for PVC resin on Customs Portal. Custom did not allow using the advance authorization. They had exported 100% against the said

License and received e-BRC. The Joint Commissioner, ICD Loni, informed them that HS Code for PVC resin mentioned in the License is 39042110 while they had filed with HS Code 39041090 and asked them to withdraw the License and to clear the consignment by paying Customs duty. Since the license had already expired by that time, they were left with no option but to withdraw the license and clear the consignment by applying Customs duty. They applied to CLA, Delhi for 2nd Revalidation but returned with remarks that "there is no provision under Para 4.41 of HBP 2015-2020 for Second Revalidation".

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and decided to allow revalidation of Advance Authorization No.0510398731 dated 07.06.2016 for a period of 6 months from the date of endorsement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 06 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/761/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

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

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Sidharth Malhotra, Director, Shri Santosh Raut, Shri Rajiv Pant and Shri Brijesh Mishra, Representatives appeared on behalf of the firm and made the following submissions:

They have stated that the subject license pertains to an order received from Nepal which was shipped by surface via Indo-Nepal borders of Rexaul which is time consuming. The Indian Nepal Customs at Rexaul take a very long time for endorsement/clearance of the license as the entire process is done manually. Further delay occurred on account of death of their Manager and it took them a long time to trace all related papers pertaining to their licenses in applying for EODC / Redemption to RA, Mumbai. During short validity of period, they could not import wire rods as the Indian Government had placed certain restriction on import of wire rods from China. Only imports from Chinese manufacturers having a valid BIS registration were permitted. As none of the Chinese mills they imported from, had BIS registration, they could not import wire rods from China and wire rods available from other sources were very costly. In order to offset the high cost of indigenous inputs, they are in need to import their raw material free of duty, without which they will be put to great financial hardship. They also indicated that they are SSI unit and were under defaulters list for 3 years and for that reason also, AA could not be used.

Decision: The Committee heard the submission made by the firm and discussed the matter at length found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 07 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/759/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

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

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019, Shri Sidharth Malhotra, Director, Shri Santosh Raut, Shri Rajiv Pant and Shri Brijesh Mishra, Representatives appeared on behalf of the firm and made the following submissions:

They have stated that the subject license pertains to an order received from Nepal which was shipped by surface via Indo-Nepal borders of Rexaul which is time consuming. The Indian Nepal Customs at Rexaul take a very long time for endorsement/clearance of the license as the entire process is done manually. Further delay occurred on account of death of their Manager and it took them a long time to trace all related papers pertaining to their licenses in applying for EODC / Redemption to RA, Mumbai. During short validity of period, they could not import wire rods as the Indian Government had placed certain restriction on import of wire rods from China. Only imports from Chinese manufacturers having a valid BIS registration were permitted. As none of the Chinese mills they imported from, had BIS registration. They could not import wire rods from China and wire rods available from other sources were very costly. In order to offset the high cost of indigenous inputs, they are in need to import their raw material free of duty, without which they will be put to great financial hardship. They also indicated that they are SSI unit and were under defaulters list for 3 years and for that reason also, AA could not be used.

<u>Decision</u>: The Committee heard the submission made by the firm and discussed the matter at length found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 08 M/s Sutlej Ropes Pvt. Ltd., Mumbai
F. No. 01/60/162/760/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

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

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019, Shri Sidharth Malhotra, Director, Shri Santosh Raut, Shri Rajiv Pant and Shri Brijesh Mishra, Representatives appeared on behalf of the firm and made the following submissions:

They have stated that the subject license pertains to an order received from Nepal which was shipped by surface via Indo-Nepal borders of Rexaul which is time consuming. The Indian Nepal Customs at Rexaul take a very long time for

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endorsement/clearance of the license as the entire process is done manually. Further delay occurred on account of death of their Manager and it took them a long time to trace all related papers pertaining to their licenses in applying for EODC / Redemption to RA, Mumbai. During short validity of period, they could not import wire rods as the Indian Government had placed certain restriction on import of wire rods from China. Only imports from Chinese manufacturers having a valid BIS registration were permitted. As none of the Chinese mills they imported from, had BIS registration. They could not import wire rods from China and wire rods available from other sources were very costly. In order to offset the high cost of indigenous inputs, they are in need to import their raw material free of duty, without which they will be put to great financial hardship. They also indicated that they are SSI unit and were under defaulters list for 3 years and for that reason also, AA could not be used.

Decision: The Committee heard the submission made by the firm and discussed the matter at length found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 09 M/s Kopran Ltd., Mumbai
F. No. 01/60/162/244/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Closure of Advance Authorization No.0310136325 dated 02.05.2002 by adjusting the exported quantity against surrendered Advance Authorization No.0310287788 dated 24.08.2004.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri P. Edward, Senior Manager - Licensing appeared on behalf of the firm and made the following submissions:

They have stated that they had completed EO to the extent of 22.73% as against imports made. Through on oversight, they have exported the balance EO against another Advance License bearing No.0310287788 dated 24.08.2004 for the same export item issued from RA, Mumbai file No.03/21/040/00483/AM05. No import has been made and the same has been surrendered in September 2014 by mistake. The shipment (Shipping Bills No.553718 dated 18.01.2005 & 5405776 dated 16.08.2004) made under the surrendered license is within the original / extended export obligation period of Advance License No.0310136325 dated 02.05.2002. Accordingly, they have requested RA, Mumbai to return the original surrendered license for adjusting / clubbing the EO short fall against the captioned advance license. However, RA, Mumbai informed them that once the license is already surrendered the same cannot be cancelled. They have approached Customs to transfer the S/bill covered under the surrendered Advance License to License No.0310287788 dated 24.08.2004 and the S/Bs could not be transferred by Customs.

Decision: The Committee having discussed the case in detail and noted that request involves very old AAs and also there is no merit in it. Hence, it decided to reject the request of the firm. The applicant is directed to get the case regularized in terms of

Para 4.49 of HBP, 2015-2020 within 30 days from the date of uploading of the minutes of meeting.

(Action: RA, Mumbai: 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. 10 M/s Indo Rama, Nagpur
F. No. 01/60/162/832/AM18/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: To allow discharging of EO by clubbing of 05 Advance Authorizations (3 from RA, Nagpur – No.5010001351 dated 04.06.2012, 5010001384 dated 21.06.2012, 5010001412 dated 09.07.2012 and 2 from RA, Bhopal - No.1110021612 dated 14.01.2010, 1110021656 dated 25.01.2010).

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Rajendra Jagnani, Head – Comm & F&A(Plant) appeared on behalf of the firm and made the following submissions:

They have stated that they are manufacturing five final products (POY, PSF, DTY, FDY and PET Chips) and the Advance Authorizations were taken for each final product separately from 2 RAs. Raw materials for all final products are common (PTA, MEG, SB203, TIO2 & SFO). Market trend for export of their final products declined from 2012 especially w.e.f. 05.06.2012. EOP of Advance Authorization was reduced to 18 Months from 36 Months which has caused very hardship to close Advance Authorization individually. In spite of all possible efforts and capacity they have to export; they could not cover up as planned based on FTP during 2010-11 dated 05.06.2012. They also explained that in PRC meeting No. 15/11.9.2018,clubbing of their 13 AAs has been allowed. This request is also on the same ground.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and decided to allow clubbing of above five advance authorizations issued by 2 different Regional Authorities. RA shall ensure that other terms and conditions of the policy/HBP provisions for clubbing are met.

(Action: Applicant/RA)

PH Case No. 11 M/s Devinarayanan Exporters Pvt. Ltd., Chennai
F. No. 01/60/162/146/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Consideration of free shipping bill towards fulfillment of EO against 8 EPCG Authorizations.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 12 M/s Paragon Industries Ltd., New Delhi
F. No. 01/60/162/214/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Allowing to deposit the Customs Duty of 50% in terms of Para 5.11(b) of HBP 2019-14 for second extension in EPCG Authorization by way of Bank Guarantee at Customs. Since they had already made the entire exports and their case is pending in RA for regularization of exports made beyond the export obligation period under the 5 EPCG Authorizations.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 13 M/s Hindustan Adhesive Limited, New Delhi
F. No. 01/60/162/345/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: (1) Regularization of exports made beyond EOP period (18 months) delay of only 12 days (2) Grant of EO extension for a period of one month to fulfill the balance EO against Advance Authorization No.0510387967 dated 02.06.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Ankit Sharma, Export Manager appeared on behalf of the firm and made the following submissions:

They have stated that they had fulfilled around 50% of the EO within the stipulated time period. They have imported the material under the subject authorization as per requirement of orders, but their orders had been cancelled, due to lack of time. They have not availed the facility of 1st and 2nd EOP extensions. Now, they have received the confirmed export orders for the same export item. The delivery period of these orders will be September 2019. But in between, they have been included into Denied Entity List on 01.07.2019 due to non fulfillment of EO. They would like to inform that in order to export the product under the same authorization their one shipment is delayed of 12 days in production. As the date of invoice is under EOP, the shipping bill No.4743336 dated 16.12.2015 may be considered as an export shipment under above said advance authorization. Moreover, they have exported the same product within the EOP of above said authorization, but due to clerical mistake by Customs Broker at the time of filling of shipping bill the shipment was not mentioned under this advance authorization, therefore the shipping bill No.6576849 dated 11.12.2014 may also be considered under above said advance authorization to regularize.

Decision: The Committee heard the submission made by the representative of the firm and after discussing the matter at length, the Committee decided to allow EOP extension up to 16.12.2015 of Advance Authorisation No.0510387967 dated 02.06.2014 only for regularization purpose of the export made beyond EO Period (18 Months) subject to fulfillment of all provisions of FTP/HBP. The Committee also allowed one month EOP extension from the date of endorsement against the subject authorisation to fulfill the balance EO subject to payment of composition @ 1% for one month on unfulfilled FOB value. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 14 M/s Krishna Copper Pvt. Ltd., Mumbai
F. No. 01/60/162/237/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Condonation of delay of 167 days in completion of EO for purpose of regularization against Advance Authorization No.0310803292 dated 14.03.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Mahendra Sanghvi, Director appeared on behalf of the firm and made the following submissions:

They have stated that due to oxidization of copper they could not get the desired quality output, however they then changed their product strategy and could export after considerable efforts. They have completed export obligation beyond EO period i.e.03.10.2018.

<u>Decision:</u> The Committee heard the submission made by the firm and discussed the matter at length and noted that the firm has taken only one AA from this directorate and is not fully aware about policy and procedures. Accordingly after hearing the firm, it decided to accede to the request and allowed EOP extension up to 03.10.2018 of Advance Authorization No.0310803292 dated 14.03.2016 only for regularization purpose subject to payment of composition @ 1% per month on unfulfilled FOB value from expiry of the extended EOP. The other terms and conditions for fulfillment of export obligation 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)

PH Case No. 15 M/s Kogta Exporters Pvt. Ltd., Mumbai
F. No. 01/60/162/222/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Extension in E.O. period against 3 Advance Authorizations No.(i) 0310796053 dated 21.05.2015, (ii) 0310818154 dated 02.01.2018 and (iii) 0310802168 dated 02.02.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Gopal Kogta, Director appeared on behalf of the firm and made the following submissions:

They have stated that in Advance Authorisation No.0310796053 dated 21.05.2015 there is a delay of 17 days in EO fulfillment (81% EO fulfilled within original EOP). Similarly in Advance Authorisation No.0310818154 dated 02.01.2018 there is a delay of 65 days in EO fulfillment and 60% of the EO has been fulfilled within original EOP. In Advance Authorisation No.0310802168 dated 02.02.2016 a delay of 13 days is there (more than 95% EO was fulfilled within EOP). These delays occurred due to cancellation of their order by the buyer and they had to search for the new buyer for their product.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. Committee also noted that EO can be extended by 45 days in this case (as per the current FTP/HBP) and decided the following:-

(1) EOP extension of Advance Authorisation No.0310796053 dated 21.05.2015 allowed for a period of 17 days against each import from the date of expiry of initial Export Obligation Period only for regularization of export made beyond EO Period;
(2) EOP extension of Advance Authorisation No.0310818154 dated 02.01.2018 allowed for a period of 65 days against each import from the date of expiry of initial Export Obligation Period only for regularization of export made beyond EO Period; and
(3) EOP extension of Advance Authorisation No.0310802168 dated 02.02.2016 allowed for a period of 13 days against each import from the date of expiry of initial Export Obligation Period only for regularization of export made beyond EO Period.

Accordingly, the firm shall pay composition fee @ 0.5% per month on unfulfilled FOB value in case exports effected are more than 50% during original EOP or @1% if exports made during original EOP are less than 50%.Firm need to approach RA within 30 days from the date of uploading of the minutes of meeting. The other terms and conditions for fulfillment of export obligation shall remain same as per Policy/HBP provisions.

(Action: Applicant/RA)

PH Case No. 16 M/s Kogta Exporters Pvt. Ltd., Mumbai
F. No. 01/60/162/355/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Extension in EO period for Advance authorization no. 0310818152 dated 2.1.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 20.08.2019. Shri Gopal Kogta, Director appeared on behalf of the firm and made the following submissions:

They have stated that they had taken 40 Advance License from which they have successfully completed export obligation in 36 Licenses and got EODC. They have Exported 105.861 MT of Pegion Peas vide Bill of Entry No.5053469 after EOP. Due to cancellation of export order by buyer they had to search for a new buyer because of this delay in exports.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and decided to allow EOP extension of Advance Authorization No.0310818152 dated 02.01.2018 for a period of 45 days against each import from the date of expiry of initial Export Obligation Period only for regularization purpose of the export made beyond EO Period subject to payment of composition fee @ 0.5% per month on unfulfilled FOB value in case exports effected are more than 50% during original EOP or @1% if exports made during original EOP are less than 50%. Exports made after 45 days of expiry of initial EO are not to be considered for fulfillment of EO. Accordingly Unfulfilled EO needs to be regularized as per terms and conditions of FTP/HBP. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA

Case No. 17 M/s Same Deutz –Fahr India Pvt. Ltd., Tamil Nadu
F. No. 01/60/162/576/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Retaining of SHIS Duty Credit Scrip No.0410151682 dated 06.11.2013 against audit observations.

They have stated that they applied for endorsement of Transferability clause on the above SHIS scrip on 07.10.2014. However, to their surprise, they have been issued a letter dated 13.03.2015 intimating them that the SHIS duty credit No.0410151682 dated 06.11.2013 is retained in that office based on audit observation and further advised them to remit balance value of SHIS duty credit scrip. They have counter filed replied on 20.04.2015 giving sufficient arguments and corroborative evidences that the audit observation of grant of SHIS duty credit scrip was totally baseless. Despite their submission, the office has taken the stand supporting the audit observation without seeing the merit of the case.

Decision: Committee after going through the representation observed that no policy relaxation is involved in the case. Accordingly it decided to defer the case and refer it to PC 3 division for its detailed examination in view of audit observation. PC 3 after examination will suitably advise concerned RA in this regard.

(Action: PC 3 Division)

Case No. 18 M/s Team A toys LLP, Tamil Nadu
F. No. 01/60/162/351/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Permission for export unutilized fabrics imported against Advance Authorization No.3210078419 dated 28.02.2018.

They have stated that had obtained the above authorization for import of fabrics for manufacture of soft toys to be exported to M/s. Hasbro Far East Ltd. As per standard procedure of M/s. Hasbro Far East Ltd, they have to import materials from their approved suppliers only, for which a formal material Authorization is issued by M/s. Hasbro Far East Ltd. Sometimes we have to import more material than actually required for Export production, due to Minimum Order Quantity (MOQ) required by the approved suppliers. In such case M/s Hasbro Far East Ltd. take full responsibility for utilization of the excess materials. As a first step, M/s. Hasbro Far East Ltd., issued us Materials Authorization for 1/3 of the Quantity i.e. 45000 pcs only. Therefore, we imported the required fabrics for this quantity. But due to MOQ specified by suppliers, for some items, we had to import more than the required Quantity. They are hoping that the left over quantity will be utilized in the balance orders to be confirmed by M/s. Hasbro Far East Ltd., but due to adverse market condition, they are unable to place any further orders. However, as the material were imported against their formal authorization, they have asked them to ship the left over material to them.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and found it is not a case of any policy relaxation hence, decided to advise the firm to approach concerned Customs Authority in the matter.

(Action: Applicant)

Case No. 19 M/s SSS Global, Tamil Nadu
F. No. 01/60/162/341/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: To condone the delay in submitting the hard copy of application for IEIS (File No.32/21/092/80066/AM17 dated 31.08.2016).

They have stated that they had submitted incremental application online on 31.08.2016 for the period 2012-13 and 2013-14. But due to the delay in submitting landing certificate from the concerned shipping agents, they were unable to submit the hard copy of the application within the prescribed time limit to RA, Coimbatore which was finally submitted on 24.08.2017.

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

(Action: Applicant)

Case No. 20 M/s Imperial Readymade Garments Factory India Pvt. Ltd., Tamil Nadu
F. No. 01/60/162/360/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Extension in E.O. period against Advance Authorization No.0410137298 dated 13.06.2012.

They have stated that they had fulfilled the export to the tune of almost 97.54%. They have received a letter from RA Chennai to regularize the excess imports with customs. The balance quantity of import items are in their stock and having regular orders with them for export products. Hence, requested for extension of EOP to exports the balance 2.46%.

__Decision__: The committee went through the statements made by the firm and noted there is no merit in the case of the firm and decided to reject the request of the firm. The applicant is directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 within 30 days from the date of uploading of the minutes of meeting.

(Action: RA, Chennai: 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)

Case No. 21 M/s Imperial Readymade Garments Factory India Pvt. Ltd., Tamil Nadu
F. No. 01/60/162/361/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Extension in E.O. period against Advance Authorization No.0410139798 dated 17.092012.

They have stated that they had fulfilled the export to the tune of almost 95.39%. They have received a letter from RA Chennai to regularize the excess imports with customs. The balance quantity of import items are in their stock and having regular orders with them for export products. Hence, requested for extension of EO to exports the balance 4.61%.

__Decision__: The committee went through the statements made by the firm and noted there is no merit in the case of the firm and decided to reject the request of the firm. The applicant is directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 within 30 days from the date of uploading of the minutes of meeting.

(Action: RA, Chennai: 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)

Case No. 22 M/s Indo Schottle Auto Parts Pvt. Ltd., Pune
F. No. 01/60/162/354/AM20/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: To allow MEIS incentive against 17 Shipping bills applied under F.No.27/21/090/50006/AM19 (e-Com No.03/88/001/67400/0523/0144).

They have stated that at the time of applying MEIS incentive claim to SEZ, Mumbai on 03.04.2018 their Shipping bills are valid for claim of MEIS incentive in e-com No. 03/88/001/67400/0144 & file. No.27/21/090/5006/AM19. Consequently, the application was rejected by SEEPZ-SEZ Mumbai on 14.06.2018 stating that they have to apply to SEZ, Cochin. They approached EDI, DGFT HQ, New Delhi for reactivation of shipping bills which have been re-activated on 26.10.2018. Accordingly, they applied MEIS incentive in New e-com No.

03/88/001/67400/0579/3434 on 27/10/2018 for these shipping bills, but this application system is applying late cut based on date of submission of the new e-com No.

Decision: 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 17 Shipping bills applied under F.No.27/21/090/50006/AM19 (e-Com No.03/88/001/67400/0523/0144). 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 original application in SEZ, Mumbai as the date of application. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Concerned DC, SEZ/Applicant)

Case No. 23 M/s Natural Capsules Limited, Bangalore
F. No. 01/60/162/466/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Extending time limit for availing MEIS benefits in the DGFT system against HS code number as amended by Bangalore and Chennai Customs from 35030010 to 96020030 in the shipping bills exported in the year 2015-16 for which the time period has expired due to the delay in amending in the system of NIC.

They have stated that they have been exporting their finished product Empty Hard Gelatin Capsules since many years under Heading No.96020030 before April 2015. On 1st April 2015, the new MEIS Scheme revised by DGFT as well as Customs in the Customs tariff for Gelatin was also given in Chapter Heading No.35 instead of 96. Meanwhile, many of their International Customers also want them to export the finished product under Chapter Heading No.35. Under MEIS rates announced during April 2015 vide PN No.2/2015-20 dated 01.04.2015 giving the MEIS rate in kgs instead of FOB value of exports which is not applicable in their finished goods. In Chapter Heading No.35 there was no benefit announced for MEIS scheme as per above PN as they had exported their finished goods under the said Heading No.35 from 1st April 2015 to September 2016. Therefore to avail benefit for shipping bills cleared up to Sept-2016 under Chapter Heading No.35030010 and 35030020, they had requested Commissioner (Customs), Chennai Port and Bangalore Airport to amend the HS Code in the shipping bills from 35030010 and 35030020 to 35030030. After examining all facts, their request was accepted by both the officers and they have been issued NOC for this amendment. They have informed that the Ministry of Finance had issued an office Memorandum No.01/61/180/149/AM17/PC3/366 Dated 05.04.2017 clarifying the correct HS Code for empty Hard Gelatin Capsules is 96000030.

Decision: The Committee went through comments received from NIC division and justification furnished by the firm. The matter was discussed at length and the Committee observed that due to technical error, 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 MEIS benefit against shipping bills pertain to 2015-16 without any late cut. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

Case No. 24 M/s Cadila Healthcare Limited, Ahmedabad
F. No. 01/60/162/306/AM19/PRC
PRC Meeting No. 16/AM20 dated 20.08.2019

Subject: Destruction waiver of 2.27 kgs of Trimebutine Material imported under Advance Authorization No.0810121285 dated 21.05.2013 issued under PC-9 & 15 conditions.

They have stated that as per the decision taken by PRC vide Meeting No.12/AM19 dated 21.08.2018, they approached RA, Ahmedabad by submitting proof of exports of the excess material exported to examine the case for closure of the file. RA, Ahmedabad rejected their request vide deficiency letter dated 06.08.2019 informing, that EODC cannot be considered and they have to comply as per para 4.49 (d) (ii) as per the decision of PRC. Since they have consumed and exported the short fall quantity of 2.27 Kgs of material, now they cannot produce destruction certificate.

Decision: The Committee went through the statements made by the firm and noted that the firm is said to have used excess imports for the purposes of manufacturing. Accordingly, the Committee decided to waive the requirement of destruction certificate with the condition that the applicant would submit an affidavit/declaration in order to indemnify to the Government for any loss/misuse due to diversion of unregistered import materials to the domestic market that may be detected in future to Regional Authority.

(Action: Applicant/RA)

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