Directorate General of Foreign Trade
(PRC Section)

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

Meeting No. 13/AM19 held on 28.08.2018 at 10:30 AM

The following members were present in the meeting:

1. Shri K. C. Rout	Addl. DGFT
2. Shri S.B.S. Reddy	Addl. DGFT
3. Shri Jay Karan Singh	Jt. DGFT
4. Shri Akash Taneja	Jt. DGFT
5. Shri S. P. Roy	Jt. DGFT
6. Shri Rajbir Sharma	Jt. DGFT
7. Shri Lokesh H. D	Jt. DGFT

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

PH Case No.01: M/s Economic Trader (Guj) Pvt. Ltd., Rajkot
F. No. 01/60/162/642/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Revalidation of DEPB license No. 2410029109 dated 22.07.2010 which was not verified by Mundra Port Customs due to technical error 02 and 97.

The applicant had sought personal hearing which was afforded on 28.08.2018. Ms Jigisha Modi, representative of company appeared before the committee and made the following statements:

1. The DEPB was not verified and registered by Mundra Port customs as there was some technical problem in the EDI system with error code 02 & 97 for which they had done lot of follow up with various departments concerned.

2. They have done various correspondences with RA, Rajkot, Mudra Port Customs, and Icegate helpdesk Delhi etc. Unfortunately this technical problem of EDI system has not been solved for such a long time despite their efforts and the DEPB validity has also expired long back. They have submitted copies of correspondences with Customs, RA etc.

3. In order to be competitive in international market, the benefit of DEPB credit is something, which they had taken consideration in the costing while working out the price of their export products.

4. They earn this credit after completing all the export procedures and formalities including realization of the valuable Foreign Exchange for their country and therefore it will be a big loss for them if they are unable to utilize this DEPB credit simply because of technical error of EDI system of Customs and this Directorate.

5. They have requested to take a sympathetic view on the matter and a pragmatic solution will be provided in order to save them from the loss of this unutilized DEPB credit.

Decision: The case was earlier placed before the PRC Committee in its meeting No.27/AM18 held on 09.01.2018 in which the request of the firm was not acceded to as the details of hardships were not explained before the Committee. Now after hearing the applicant during PH, the Committee noted that there was indeed a error in transmission of data of the in DEPB Scrip to the Customs. It was also noted that the firm was making references to various offices to resolve the issue but the technical error persisted. Taking note of practical difficulty being faced by the firm, the Committee decided that the error shall be rectified by EDI/NIC and then the DEPB Scrip shall be revalidated for a period of 6 months from the date of endorsement.

(Action: EDI/NIC/Applicant)

PH Case No. 02: M/s SRV Synthetics, Mumbai
F. No. 01/06/162/675/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Request for second revalidation of Advance Authorisation No. 0310804271 dated 29.04.2016

The applicant had sought personal hearing, which was afforded on 28.08.2018, Shri Rajendra Shah, Partner & Chairman appeared before the committee on behalf of the firm and made the following submissions:

1. That they had exported 1012 MT - Rs.76667375 as per shipping bill and they have completed the export obligation.

2. For import item they had obtained invalidation in favor of M/s Indorama Synthetics India Ltd., and the same had been issued vide invalidation No. 0359024497 by the Regional Authority.

3. However, subsequently they realized that the condition sheet of item to be supplied is bearing SION71/63 and description as Polyester Texturised Filament Yarn (Dyed) instead of SION 71/48

4. As the authorization was expiring on 29.04.2017, they had applied for the amendment of validity for 6 months from 29.04.2017 and the same had been extended from 29.04.2017 to 29.10.2017.

5. Against their application for changing the SION No., the same has been changed to vide amendment sheet No. 2 dated 28.09.2017.

6. Since, significant time was involved in the acceptance of their request by the Regional Authority for amendment of the SION, they were left with very short period for completing the imports under the authorization.

7. As it was not possible to import 1010 MT within one month they have applied for 2nd revalidation of authorization which is still pending.

Decision: The Committee recalled having considered the case in its earlier meetings held on 03.04.2018 and 05.06.2018. The case was deferred in the earlier meeting as the firm's representatives failed to clarify the queries of the members and had advised the firm to present their case with clarity to enable consideration. Now during present PH, the firm's representatives clarified that they have completed the EOP. For import item, they had applied for invalidation in the name of M/s Indorama Sythentics India Ltd and the same was issued to them. It was realized by the firm that item to be supplied is bearing SION 71/63 with description as Polyster Texturised Filament Yarn (Dyed) instead of SION 71/48. As their authorization was expiring on 29.04.2017, they had obtained revalidation of the authorization from the RA for 6 months, upto 29.10.2017. However, significant time was involved in the acceptance of their request by the Regional Authority for amendment of the SION, and they were left with very short period for completing the imports under the authorization. In view of the above, the Committee noted that the firm was indeed left with very short time to complete the imports since significant time was involved in acceptance of their request for amendment by the RA and therefore decided to allow revalidation for 3 months from the date of endorsement. The firm shall approach the RA within a period of one month from the date of issue of the decision by the PRC.

(Action: Applicant)

PH Case No.03: M/s Golden Tobacco Limited, Vadodara
F. No. 01/60/162/147/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Request for EOP extension of Advance Authorization No. 3410027451 dated 07.07.2010

The applicant had sought personal hearing was afforded on 28.08.2018, but they have not appeared before the committee. However they have informed through mail that the advocate who is looking after the case is suffering from viral fever and not in a position to appear before PRC and requested to confirm the next date of hearing in advance.

1. Their company is a sick industrial company and registered with Hon'ble BIFR as case No.17/1997.The company has submitted the modified Draft Rehabilitation Scheme with the BIFR as per the liberty granted by Hon'ble Delhi High Court vide order dated 05.07.2011read with order dated 16.08.2011.

2. Hon'ble BIFR has issued the order dated 07.02.2012 in compliance of order of the Hon'ble Delhi High Court and appointed the Canara Bank as monitoring agency to examine MDRS. The company has submitted the revised MDRS on 14.11.2014 to the BFIR with copy of Canara Bank by in-corporating the directions issued by BFIR.

3. They approached RA, Vadodara seeking extension of EOP revalidation of above license but both the request were rejected.

4. RA, Vadodara without appreciating full facts of the matter, issued them a letter dated 04.11.2015 to pay Customs Duty+Interest in terms of Para 4.49 of HBP 2015-2020.

5. They, being a financially sick company registered with BIFR, are passing through a very difficult phase of recession, liquidity crunch and intense competition and an appropriate relaxation in fulfillment of EO or relaxation by way of extending the EOP for another period of two years will lead to reduction in financially –burdened industry, therefore their case may please be considered with sensitivity.

Decision: No one appeared on behalf of the firm, in spite of giving them ample opportunities. In view of this, the Committee noted that the firm had registered with the

BIFR as case No.17/1997, but still went ahead and obtained advance authorizations subsequently. Therefore the Committee was of the view that case does not warrant merit and decided to reject the case of the firm.

(Action: Applicant)

PH Case No.04: M/s Tetra Pak India Pvt. Ltd., Pune
F. No. 01/60/162/694/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Condonation of procedural lapse of not mentioning GSM of bleached paper/Bleached Paper Board/Duplex Paper Board on shipping bill of exports made against following Ten Advance Authorisations: Nos. (1) 3110053613 dated 20.04.2012, (2) 3110059464 dated 18.07.2013, (3) 3110057232 dated 21.02.2013, (4) 3110053031 dated 20.02.2012, (5) 3110053140 dated 24.02.2012, (6) 3110053614 dated 04.02.2012, (7) 311000054518 dated 30.05.2012, (8) 3110054840 dated 26.06.2012, (9) 3110059371 dated 16.07.2013 and (10) 3110051992 dated 20.12.2011.

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Laxman Jagtap, Manager(Impex and Indirect Tax) appeared before the committee on behalf of the firm and made the following submissions:

1. Out of the above 10 licenses case of three advance authorizations No.3110053613 dated 20.04.2012, 3110059464 dated 18.07.2013 and 3110057232 dated 21.02.2013 had already been placed in PRC Meeting dated 06.03.2018 and rejected.

2. Now the firm vide letter dated 18.06.2018 stated that :-

(i) They have imported three types of paper namely (a) Bleached Paper (b) Bleached Paper Board (c) Duplex Paper Board. These papers were imported in which GSM against each type of paper was mentioned the time of filing Bill of Entry.

(ii) The end product was manufactured by them using either of the three types of papers.

3. That RA, Pune raised objection for not mentioning the GSM in the shipping bill and directed them to produce a certification from either Customs or Central Excise certifying the GSM content in an product.

4. Accordingly, they approach Central Excise Authority (now GST) with a request for checking all the import and export related records/documents and issuing a certificate in

accordance. The Central Excise Authority (now GST) after checking their factory records/documents maintained in SAP for material receipts and issue related to post export made and consumption thereon is stated to have issued certificate specifying the GSM of the exported product.

5. Further they had also obtained a statement from an independent chartered engineer indicating the calculation of the GSM.

6. The rejection will definitely put adverse impact on their business. They obtained this advance authorisation to save duties on inputs in order to remain competitive in the international market. All the duties saved were taken into costing and accordingly export sale price was determined.

7. The firm has further stated that, for manufacturing of end product i.e. Aseptic Packaging Material they use only imported Paper. Hence benefiting from import and not using it in the export product does not have any benefit to their company in any way.

Decision: The Committee went through the statements presented by the firm during the personal hearing and in its application and decided to defer the case and call for a detailed report from the Regional Authority.

(Action: Applicant)

PH Case No.05: M/s Tetra Pak India Pvt. Ltd., Pune
F. No. 01/60/162/275/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018
Subject: Condonation of delay in online filling of shipping bills for Focus Product Scheme benefit.

Decision: The applicant had sought personal hearing which was afforded on 28.08.2018.No one appeared on behalf of the firm. The Committee, in the interest of natural justice, decided to defer the case.

(Action: Applicant)

PH Case No.06: M/s Indorama Industries Limited Baddi, Himachal Pradesh
F. No. 01/60/162/635/AM18
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Condone the delay in submission of Focus Market Scheme application which got delayed due to non-availability of shipping bills and error at DGFT online portal against File

No.22/21/087/80083/AM17 dated 18.01.2017 (S/B No.3037769 dated 14.12.2012 and 4659128 dated 26.03.2013 .

The applicant had sought personal, which was afforded on 28.08.2018, Shri Pardeep Garg, CFO appeared before the committee on behalf of the firm and made the following submissions:

1. They informed that said shipment was made under special Brand rate of Duty drawback scheme and brand rate letter were issued on dated 27.05.2015 and 16.03.2015 and shipping bills were uploaded by customs on dated 25.05.2015 and 24.06.2015. They had therefore submitted their claim for chapter 3 benefits only on 18.01.2017

2. They sent numerous letters to DGFT, CUSTOMS & ICEGATE to make the shipping bills available so that application may be filed in time.

3. As per Para 3.11.9 (a) of HBP 2009-2014 as updated on 05.06.2012, application for obtaining Duty Credit Scrip shall be filed within a period of twelve months from the date of export or within six months from the date of realization or three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim is being filed.

4. In their case, even though the procedures allowed them time period to submit applications for 3 years from the date of Export or 30 months from the date of realization (BRC), they could not file the claims since the shipping bills were added to DGFT repository / uploaded by customs as very late.

5. They have requested for condonation of delay in filing claim for benefits of Chapter 3 Schemes of FTP 2009-14 against their shipping bills no. 3037769 dated 14.12.2012 and 4659128 dtd. 26.03.2013

Decision: The committee went through the statements made by applicants and note that as per Para 3.11.9 (a) of HBP 2009-2014 as updated on 05.06.2012, application for obtaining Duty Credit Scrip shall be filed within a period of twelve months from the date of export or within six months from the date of realization or three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim is being filed. In the instant case, the Customs is stated to have uploaded the shipping bills after considerable delay. Therefore, the Committee decided to allow the date of claim period for above shipping bills to begin from the date of uploading of the shipping bills by the Customs.

(Action: Applicant)

PH Case No.07: M/s Welspun Corp Limited, Vadodara
F. No. 01/60/162/821/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Second revalidation of Advance Authorisation No. 3410042443 dated 17.08.2016

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Suresh Darak, President (Exim & Indirect Taxes) appeared before the committee on behalf of the firm and stated that they could not complete imports since, as per Trade Notice No. 11/2018 dated 30.06.2017 Advance Release Order facility was not available for procurement of inputs under Advance Authorization scheme except for inputs listed in Schedule 4 of Central Excise Act.

Decision: The Committee, after hearing the applicant and detailed deliberations, decided to allow 2nd revalidation of 6 months from the date of endorsement in respect of imports proportionate to the exports completed within the EOP period. The firm shall approach the Regional Authority within one month from the date of issue of the decision by the PRC

(Action: Applicant)

PH Case No.08: M/s Welspun Corp Limited, Vadodara
F. No. 01/60/162/824/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Second revalidation of Advance Authorisation No. 3410042444 dated 17.08.2016.

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Suresh Darak, President (Exim & Indirect Taxes) appeared before the committee on behalf of the firm and stated that they could not complete imports since, as per Trade Notice No. 11/2018 dated 30.06.2017 Advance Release Order facility was not available for procurement of inputs under Advance Authorization scheme except for inputs listed in Schedule 4 of Central Excise Act.

Decision: The Committee, after hearing the applicant and detailed deliberations, decided to allow 2nd revalidation of 6 months from the date of endorsement in respect of imports proportionate to the exports completed within the EOP period. The firm shall approach the Regional Authority within one month from the date of issue of the decision by the PRC.

(Action: Applicant)

PH Case No.09: M/s Raj Petro Specialities Pvt. Ltd., Chennai
F. No. 01/60/162/130/AM16/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Request for revalidation of Advance Authorization No. 0410141866 dated 18.12.2012.

1. The applicant was afforded personal hearing on 28.08.2018. Shri Madhavan P. C, Manager (Exports Logistics & Regulatory) and Shri V. Ravindran, Advocate appeared before the committee on behalf of the firm and made the following submissions:

2. They have fulfilled Export obligation within the first validity of the License without any Import.

3. They were exporting the specific product for the first time and hence were waiting for fixation of Norms for the said Authorisation before making any imports.

4. Unfortunately the Norms committee inordinately delayed fixing the Norms and took almost two years. As a result the validity of the License expired including one extension of six months.

5. Immediately after fixing the Norms they approached PRC to extend the validity of the License, but PRC rejected their request for the reason that they should have imported without waiting for the Norms fixation and not considering the extensive delay by the committee.

6. Since their case has not been considered favourably despite the fact that the fixation of Norms was extensively delayed beyond the validity of the license to import they had approached the Hon'ble Delhi High Court seeking relief against the decision of the DGFT for granting the revalidation. The Hon'ble Delhi High Court has vide its order dated 23.04.2018 disposed the petition with direction to DGFT to consider the representation of the firm and pass an order on merits in accordance with law.

Decision: The Committee had considered the case in its earlier meetings and noted that no grounds of genuine hardships were faced by the firm. After going through the above facts explained by the firm during the personal heairng, the committee noted that the firm had indeed faced difficulties as the norms were delayed for a significant period and they had pursued the matter with the Norms Committee. This had prevented the firm from making the imports as the said product is stated to be a new product for them. The Committee therefore decided to accede to the request of the firm, and allow revalidation for a period of 3 months from the date of endorsement for the imports in proportion to the exports made under the authorization within the Export obligation period. The firm shall approach the Regional Authority within one month from the date of issue of the decision by the PRC.

(Action: Applicant)

PH Case No.10: M/s Spray Engineering Devices Limited Chandigarh
F. No. 01/60/162/183/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Consideration of shipping bill No. 25233 dated 01.12.2013 & Shipping Bill no 26618 dated 31.12.2013 for export against Advance Authorisation No. 2210014079 dated 06.08.2013 & Advance Authorization no. 2210014466 dated 20.12.2013 as the same being endorsed by Customs officer on Shipping bills.

The applicant had sought personal hearing which was afforded on 28.08.2018, Shri Wilson K. G., General manager appeared before the committee on behalf of the firm and made the following submissions:

1. They have been issued Advance Authorization no. 2210014079 dated 06.08.2013 & Advance Authorization No. 2210014466 dated 20.12.2013 by the RA, Chandigarh for import of Welded Plate SS 3161, Gear Box and Export of Automated Co-Generation Condensing system & Evaporator Condenser.

2. Export Obligation has been fulfilled within the Original EOP after taking into consideration the Clubbing of above stated Advance Authorization no. 2210014079 dated 06.08.2013 & Advance Authorization no. 2210014466 dated 20.12.2013.

3. They have put forth their case with RA Chandigarh on 05.03.2015 for clubbing of Advance Authorization and issuance of EODC as the Exports have been done within the EOP available to them. Deficiency has been raised vide department office letter dated 21.12.2016 that since the Drawback has been availed against Advance Authorization No.

2210014079 dated 06.08.2013 & Advance Authorization No. 2210014466 dated 20.12.2013, hence the Exports made are not admissible for EODC.

4. Deficiency letter issued by RA, Chandigarh was replied with the facts vide their office letter dated 22.12.2016 that "NO Drawback benefit has been availed in respect of Items Imported against Advance Authorization and used in Exported product as is evident from the Shipping Bill itself, but despite of same, RA Chandigarh has not accepted the facts put forth.

5. It is not in dispute by RA, Chandigarh that Exports have not been fulfilled, but the contention remains that since the S/Bills has been filed under drawback and the said benefit has been availed, whereas they completely deny that benefit of drawback has been availed.

6. Manual Shipping Bills (2 nos- S/B no. 25233 & 26618) were filed as the EDI system was not in place at ICP Amritsar. Manual Shipping bills were filed under Drawback but with the Endorsement of Custom Officer on the face of shipping bill that items i.e. Imported Welded Plates" have been used in the goods specified against particular Sr. No. of packing list and furthermore the Export value for calculation of Drawback is Exclusive of value of such exported goods which is manufactured from Inputs imported against Advance Authorizations.

7. Manual Shipping bill filed has all elements as those of EDI shipping bills on its face that which particular is cleared under Advance Authorization and what's under Drawback benefit. Only exception being is that EDI Shipping bill at present mentions incentive to be availed against each item, whereas Manual S/Bill from its headings mention of Shipping Bill under drawback but endorsement on same stated by Custom Officer for items wherein benefit of Advance Authorization has been claimed.

8. They submitted the fact with RA Chandigarh that the copies of S/Bill 25233 dated 01.12.2013 & shipping bill no. 26618 dated 31.12.2013 itself reveals the fact of non-a ailment of Duty Drawback, but the same has not considered / accepted for EO fulfillment by the office of RA, Chandigarh.

9. They have even foregone Drawback benefit on entire Shipment and have not claimed anything on account of Drawback form Customs offices. The fact of same validated from Custom office.

Decision: The Committee went through the statements made by the firm and noted that the firm is said to have specified the advance authorization numbers in the relevant shipping bills and stated to have not availed the benefit of drawback. The Customs Authorities are also stated to have issued a certificate in this regard. The Committee therefore decided to account the said shipping bills towards EO fulfillment of the above advance authorization subject to payment of composition fee of Rs.5000/- per shipping bill.

(Action: Applicant)

PH Case No.11: M/s Swiss Exports Pvt. Limited, Ahmedabad
F. No. 01/60/162/142/AM18/PRC
PRC Meeting No.13/AM19 dated 28.08.2018

Subject: Extension in E.O. period against Advance Authorisation No. 0810124983 dated 20.09.2013 for regularization purpose.

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Vikram Shah, Managing Director appeared before the committee on behalf of the firm and stated that they could not export the quantity within the prescribed validity of the authorization, in terms of Policy Circular No.9 (drug condition for imports from unregistered sources) since there was a civil war taking place in the country and they had requested for delay in export of above products. Due to that they finally rejected the order and they had exported the entire quantity through third party. which was done after 1 year. This has made delay on their part.

Decision: The Committee having heard the statements made by the firm noted that the imports could not be diverted to the domestic market. Further the firm is also stated to have completed the exports made out of the imported material. The reasons stated by them were beyond their control. Therefore, the committee decided to allow extension of EOP for regularization purpose as requested by the firm subject to payment of composition fee @ 1.0% per month on unfulfilled FOB value of export obligation.

(Action: Applicant)

PH Case No.12: M/s Swiss Parenterals Pvt. Ltd., Ahmedabad
F. No. 01/60/162/130/AM18/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Request for EOP extension and waiver of PC-18 condition of Advance Authoirsation No. 0810120955 dated 09.05.2013 for regularization purpose

The applicant had sought personal hearing which was afforded on 28.08.2018, Shri Vikram Shah, Managing Director appeared before the committee on behalf of the firm and stated that they had made imports from registered sources and that they could not export the quantity within the prescribed validity of the authorization since there was heavy rain and landslides incident report in the buyer's country. Their buyer has requested to delay the export of above product. This has made delay on their part.

Decision: The Committee noted the statements made by firm and the fact that the firm has not made imports from unregistered sources. The Committee also noted that they have competed about 99% of exports. Therefore, the committee decided to accept the request of the firm for EOP extension for regularization purpose as below:

i. From 18 months upto 24 months on payment of composition fee @ 0.5% of the FOB Value of unfulfilled EO
ii. From 24 months upto 30 months on payment of composition fee @ 0.5% per month on unfulfilled FOB value of export obligation, if firm has fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis
iii. From 24 months upto 30 months on payment of composition fee @ 1.0% per month on unfulfilled FOB value of export obligation, if firm has not fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis
iv. From 30 months upto 36 months on payment of composition fee @ 1.0% per month on unfulfilled FOB value of export obligation

(Action: Applicant)

PH Case No.13: M/s Swiss Parenterals Pvt. Ltd., Ahmedabad
F. No. 01/60/162/286(a)/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Request for EOP extension of Advance Authorization No.0810134475 dated 03.02.2015 for regularization purpose.

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Vikram Shah, Managing Director appeared before the committee on behalf of the firm and stated that they had made imports from unregistered sources and the import materials failed the test after imports due to which the Drug Licensing authority had blacklisted the seller of the imported goods. They have stated that they sourced the import materials locally and were in the process of making exports. Since there was a terrorist attack in Kenya on April 3, 2015 and due to which their buyer had requested to delay the export of above product and again flash flood with heavy rainfall occured in various part of Yemen throughout the month of April 2016. Since the intensity of the rainfall was so much that their buyer had requested to delay the export of above product. This has made delay on their part.

Decision: The Committee noted the statements made by the firm and the fact that the firm exported the goods manufactured out of locally sourced materials from registered sources. The Committee also n0ted that the firm could not export in time due to the issues with their buyers in Kenya and Yemen as stated above. Therefore, the committee decided to accept the request of the firm for EOP extension as below:

i. From 18 months upto 24 months on payment of composition fee @ 0.5% of the FOB Value of unfulfilled EO

ii. From 24 months upto 30 months on payment of composition fee @ 0.5% per month on unfulfilled FOB value of export obligation, if firm has fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis

iii. From 24 months upto 30 months on payment of composition fee @ 1.0% per month on unfulfilled FOB value of export obligation, if firm has not fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis

iv. From 30 months upto 36 months on payment of composition fee @ 1.0% per month on unfulfilled FOB value of export obligation

v. In respect of the imported drug material from unregistered sources which has failed the tests, the firm shall comply with provisions in Para 4.49(g) of the HBP 2015-20

(Action:Applicant)

PH Case No.14: M/s Thungasilk International Bangalore
F. No. 01/60/162/115/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Relaxation of pre-import condition against Advance Authoirsation No. 0710112015 dated 16.08.2017.

The applicant had sought personal hearing which was afforded on 28.08.2018, Shri R. N. Tiwari, Advocate & Consultant appeared before the committee on behalf of the firm and stated that when they obtain an Advance Authorization, they are unable to make shipment within a period of 45-60 days as required by the overseas buyers. This is on account of the fact that import of silk yarn from china takes more than 60 days, even when they place the order on china on the day they receive the export order. It is further stated that order on china cannot be placed in advance as the type and quantity of yarn can be decided only on receipt of export order i.e. even if they place an order for import even on the day they receive an export order, the raw material cannot reach them before 70 days which is in excess of time limit given to them by the buyer. To overcome the above problem, they are forced to use the stock available with them / buy it locally and ship the goods within the time allowed to them by the overseas buyer. The firm also compared their case with that of the relaxation granted to M/s.Raymond Ltd in the PRC meeting dated 03.07.2018.

Decision: The Committee went thought the statements made by the firm and noted that the case of the firm M/s.Raymond Ltd could not be compared to that of the firm, since the import materials in the two cases are different. The purpose of the Government is to prevent the import of Raw Silk. The firm has contended that they had made exports manufactured out of silk procured by payment of duty and that the imports if allowed after revalidation in this advance authorization will be used for subsequent manufacturing. The Committee could not accept this argument since allowing revalidation and imports after exports have been completed will lead to imports of raw silk which is against the purpose of imposing the pre-import condition. Therefore the Committee decided to reject the case of the firm.

(Action: Applicant)

PH Case No.15: M/s Deco De Trend Chennai
F. No. 01/60/162/287/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Revalidation of SHIS Licence No.0410161544 and 0410161543 dated 21.01.2016

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.08.2018, Shri Dilesh Modi, (Sr. Executive – Export & Import) appeared before the committee on behalf of the firm and made the following submissions:

1. They have received two letters dated 06.06.2016 and 27.07.2016 from Add DGFT, Chennai showing that they are not eligible for SHIS benefit due to audit objection after that they have sent reply to Addl. DGFT, Chennai to clarify that they are eligible for SHIS benefit and requested them to re-open their files.

2. They are status holder and exports made to EOU & they are eligible for SHIS benefits since they have not availed any benefit under ZERO DUTY EPCG authorization during 2010-11, 2012-12. As per status holder they are entitled for SHIS benefit against handicraft items as per Foreign Trade Procedure dated 27.08.2009 to September 2014 w.e.f. 05.05.2012. As per Para 3.17.2 of HBP & Procedure they are not availing any direct tax benefit / exemption.

3. During the personal hearing the firm has stated that they had by mistake mentioned that they had made supplies to EOU in their application to PRC whereas they had actually made exports from their EOU units.

3. Mean Time their SHIS License has expired due to above reason.

Decision: The Committee went though the statements made by the firm and noted that the firm could not use the SHIS Scrips granted to it on account of the audit objections and the revalidation of scrips without settling the audit issues will not serve any purpose. The Committee therefore decided that PC-3 shall examine the status of the audit objection with inputs from the audit division and then place the issue before the committee for a decision on the firm's request for revalidation.

(Action: Applicant)

PH Case No.16: M/s Whirlpool of India Limited Gurgaon
F. No. 01/60/162/293/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.03.2018

Subject: Revalidation of Advance Authorisation No.0510322554 dated 19.04.2012

Decision: No one appeared on behalf of the firm. The Committee, in the interest of natural justice, decided to defer the case.

(Action: Applicant)

PH Case No.17: M/s Airen Metals Pvt. Ltd., Jaipur
F. No. 01/60/162/297/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.03.2018

Subject: Revalidation of Advance Authorization No.0510400333 dated 01.11.2016.

Decision: No one appeared on behalf of the firm. The Committee, in the interest of natural justice, decided to defer the case.

(Action: Applicant)

PH Case No.18: M/s Hi-Tech Pipes Limited, New Delhi
F. No. 01/60/162/301/AM19/PRC
PRC Meeting No. 13/AM19 dated 28.03.2018

Subject: Condonation the procedural laps i.e. ERW word before exports item Galvanised Steel Pipes/Tubs under SION C-1984 against Annual Advance Authorisation No. 0510234388 dated 13.01.2009.

The applicant had sought personal hearing which was afforded on 28.08.2018, Shri Devendra K. Sharma (Sr. manager Legal & Taxation), Shri P C Patnaik, Advocate and Shri Arvind Bansal, FCA (Chief Financial Officer), appeared before the committee on behalf of the firm and made the following submissions:

1. They had exported various kind steel products including Galvanised Steel Pipes / Tubes under SION C-1984. During the course of exportation, the clearing agent i.e, C.H.A. had not mentioned ERW inadvertently in 22 S/Bills before the export item Galvanised Steel Pipes / Tubes (C-1984). Otherwise, they have exported Galvanised Steel Pipes / Tubes from ICD, Tuglakabad, New Delhi.

2. The description of input as well as the quantity as defined under SION Sl. No. C-1984 was used in the manufacturing of Galvanised Steel Pipes / Tubes in their unit (In the said 22 S/Bills).

3. That after fulfillment of EO, they have submitted the all relevant documents to the RA, New Delhi for issuance of redemption. Although all the deficiencies as pointed out by the RLA, were cured, but one query has not been complied due to ERW wording not mentioned in the shipping, before the said export item, thereby the redemption issue is pending at RLA, New Delhi.

4. They are into manufacturing of only ERW (Electric Resistance Welding) pipes and they could not make any production/processing without the ERW process.

6. There has been only a procedural lapse in mentioning the words ERW in the shipping bills.

Decision: The Committee went though the statement made by the firm and noted that ERW is only a process of manufacturing and there has been procedural lapse in mentioning the words ERW before the export product description in the shipping bills. Therefore, the Committee decided to grant relaxation in mentioning the words ERW in the 22 shipping bills subject to furnishing of a certificate form an independent chartered engineer and furnishing of indemnity bond to indemnify the Government for any loss caused on account of accepting the said documents and also on payment of a composition fee of Rs. 50,000/-.

(Action: Applicant)

PH Case No.19: M/s Vishal Steels B[illegible] Gujarat

F. No. 01/60/162/302/AM19/PRC

PRC Meeting No. 13/AM19 dated 28.08.2018

Subject: Revalidation of Advance Authorisation No. 0310810594 dated 18.01.2017

The applicant had sought personal hearing which was afforded on 28.08.2018. Shri Niraj Angara, Partner appeared before the committee on behalf of the firm and made the following submissions:

1. The RA, Mumbai has forwarded the application to Norms Committee for fixation of Adhoc Norms. They have received a letter / Email from Norms Committee dated 18.08.2017 and they have submitted reply letter dated 13.11.2017 by courier.

2. They have fulfil 100 % export obligation quantity wise and value wise but they have not imported raw material as they have not received Norms decision.

3. They have approach for revalidation for minimum 3 months for importing raw material.

Decision: The Committee after going through the statements made by the firm noted that the norms has not yet been finalized in this case and therefore decided to defer the case and also advised NC-2 to examine the case and provide the inputs to the Committee after which the case for revalidation will be decided.

(Action: NC-2)