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. 15/AM19 held on 11.09.2018 at 10:30 AM

The following members were present in the meeting:

1.	Shri K. C. Rout	Addl. DGFT
2.	Shri Vijay Kumar	Addl. DGFT
3.	Shri N K Srivastava	Addl. DGFT
4.	Shri SatyanSharda	Addl. DGFT
5.	Shri Jay Karan Singh	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 AmelcoKabel Pvt. Ltd., Noida
F. No. 01/60/162/1302/AM17/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Review of PRC decision – To levy Composition fees duty saved amount instead of FOB value against Advance Authorization No.0510350635 dated 03.04.2013 and 0510350889 dated 08.04.2013.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri S. N Dwivedi (Managing Director) and Shri Tarun Bansal appeared before the committee on behalf of the firm and made the following submissions.

2. They levy of Composition fees for Regularization of case is very high and it should be levied on the basis of duty saved instead of FOB Value.

3. They have fulfilled EO despite all odds (as prevailing globally which also had quite adverse impact on them and their sales are down by almost 50%) and now if they are imposed this composition fees on FOB value instead of excess duty saved amount then the payment of Composition Fees will be very harsh / shall adversely affect our export efforts.

4. Because of global recession, it is quite difficult for them to sustain in this market and this levy of composition fees on FOB value is only going to severely affect their company. However under the PM's Make in india initiative their Company is working very hard and sincerely to project their products on a global scale.

5. They also think that levy of composition Fees on FOB value is also against the very spirit of FTP. Already due to various hiccups in Advance Licence Policy, they have currently stopped all operations under Advance Licence scheme unless they settle all old dues. However, they still strongly feels that the office of DGFT is an Export Oriented and they do hope that the office of DGFT will take a decision in support of Indian Exporters operating under Advance Licensing Scheme and shall reverse this policy of Levying composition Fees on FOB value and instead levy the same on Excess Duty Saved Amount as was the practice some years back

Decision: The committee went through the statements made by the firm and noted that the firm had enough time under the provisions of the FTP/HBP to fulfill the stipulated EO. The applicant has been provided additional flexibility/facility to get the EOP extension subject to certain conditions and payment of composition fee. The firm had choice to get the EOP extended or to regularize the case as per provisions of the FTP/HBP. Hence, the committee maintained its earlier decision.

(Action:Applicant)

PH Case No.02: M/s RPL Industries Ltd., Ghaziabad
F.No.01/60/162/634/AM14/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Extension in E.O. period of Advance Authorization No.0510247397 dated 10.08.2009

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri L. K. Sharma, Authorized Representative, appeared before the committee on behalf of the firm and made the following submissions:

2. The Licence was issued in the name of M/s RadhuPvt. Ltd.

3. The company converted to M/s RPL Ind. Ltd in 2011

4. The licence could not be registered at custom for export purpose due to change of the name in various Govt. documents i.e. IEC, RCMC, PAN, ExciseRegn. VAT Regn. Sales Tax, etc

5. It has taken so much time to change the name in documents, and Licence has expiredit could not be registered at custom for Export purpose.

6. They require 6 month minimum extension for fulfilment of exports.

Decision: The Committee went through the statements made by the firm and noted that the name of the firm was changed in 2011. Even though the advance authorization was issued in August 2009, the firm ~~has not any~~ did not export, till the change of name of the firm. The committee noted that the firm has not taken any due diligence in fulfilling the export obligation and decided to reject the request of the firm and to inform the jurisdictional RA to take appropriate action for non-fulfillment of the stipulated EO.

(Action: Applicant / RA)

PH Case No.03: M/s Vedanta Ltd., New Delhi
F.No. 01/60/162/450/AM14/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Permission to file DEPB application manually and (2) Grant of DEPB to Vedanta Limited (IEC No. 1788000234) instead of Vedanta Aluminium Ltd. (IEC No.0304026336) on account of merger order dated 23.07.2013 of Madras High Court.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Ms Swati Dhanuja (Authorized Representative) appeared before the committee on behalf of the firm and made the following submissions:

2. They were unable to file DEPB through DGFT website in respect of shipping bill no. 1919241 dated 04.12.2010 and 1614909 dated 01.10.2010 because the Customs has transmitted the DEPB shipping bills under wrong Scheme code

3. The Customs has issued certificate on 06.06.2013 confirming the same.

4. They approached the PRC for permission to file DEPB application manually in respect of the subject Shipping Bills.

Decision: The Committee went through the statements made by the firm and noted that, even though the scheme has been shown as Advance Authorisation, the authorization numbers mentioned in the said shipping bills are that of the EPCG Authorisation. The Committee was of the view that the issue will be examined by the PC-4 division in consultation with the EDI division.

(Action: Applicant /PC-4)

PH Case No.04: M/s Premier Polyfilm Ltd.New Delhi
F.No. 01/60/162/178/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Revalidation of advance license 0510398731 dated 07.06.2016 for six months from the date of approval for import of balance raw materials.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Kamal Dayal, Vice President, Special Projects, appeared before the committee on behalf of the firm and made the following submissions:

2. The subject License was valid till 06.12.2017. They filed bill of entry on 05.12.2017 for import of PVC resin (HS Code 39042110) with balance Qty. of 59.085 MT. lying in the license at ICD Loni customs.

3. They had exported 100% against the said licence and received e-BRC.

4. The joint Commissioner ICD Loni, informed them that HS code for PVC resin mentioned in the licence is 39042110 while they had filed bill of entry with HS code 39041090. They asked them to withdraw the licence and to clear the consignment by paying cash duty.

5. Since the licence had already expired by that time, they were left with no option but to withdraw the licence and clear the consignment by paying cash duty.

6. They applied to RA, CLA, New Delhi for 2nd revalidation but they returned our application with their remarks "there is no provision under para 4.4 of HBP 205-2020 for second revalidation". Since the Licence expired with balance Qty. 59.085 MT. of PVC resin and stabilizer 2.142 MT.

Decision: The Committee went through the statements made by the firm and noted that it is a fact that the advance authorization was issued with the HSN 39042110 whereas w.e.f

01.01.2017, the said HS code had ceased to exist and was replaced by HS Code 39041090. However, the firm had filed the bill of entry on the last day of the extended validity period. The firm ought to have taken due diligence in getting the authorization amended and approached the Customs well within the expiry of the Validity period. Further, the Committee noted that there was no grounds of hardship faced by the firm and hence decided to reject the case of the firm.

(Action: Applicant)

PH Case No.05: M/s R.P. Industries New Delhi
F.No. 01/60/162/823/AM18/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Regularization of export obligation fulfilled after the export period of AA No.0510388189 dt 04.06.2014.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Jalaj Chhabra, Director appeared before the committee on behalf of the firm and made the following submissions:

2. Their case was rejected on the ground that there was no genuine hardship in their case in the PRC Meeting No.02/AM19 dated 24.04.2018.

3. In their earlier request, they did not want to bring into notice of the committee about the tragic death of their main partner Mr. Vibha Chhabra in March 2016 at the young age of 57 years. She was the main driving force of their firm and looked all the administrative work of the firm including export documentation.

4. Their export documentation staff thereafter by mistake started filing shipping bills under drawback schemes instead of DES scheme.

5. If this error had not been made they would have exceeded their export obligation within the EOP.

6. On realizing the mistakes due to above reasons, they immediately made genuine efforts to fulfil their exports obligation and made balance exports under above licenses from 35th month to 44th month from the date of issue of the license and fulfilled the export obligation, although outside the EOP.

Decision: The Committee went through the statements made by the firm and noted that, the fact that the firm has made exports is true and the mistake on the part of the firm is that the shipping bills have been filed under different scheme instead of the advance authorization scheme. Further in view of the circumstances stated above by the firm and the fact that the firm had continued to exports, the Committee decided to accept the request of the firm for extension of the EO Period to count the exports already made for regularization purpose subject to payment of 1% composition fee for each month on the unfulfilled EO.

(Action: Applicant)

PH Case No.06: M/s R.P. Industries New Delhi

F.No. 01/60/162/823(II)/AM18/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Regularization of export obligation fulfilled after the export period of AA No.0510392318 dated 08.12.2014

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Jalaj Chhabra, Director appeared before the committee on behalf of the firm and made the following submissions:

2. Their case was rejected on the ground that there was no genuine hardship in their case in the PRC Meeting No.02/AM19 dated 24.04.2018.

3. In their earlier request, they did not want to bring into notice of the committee about the tragic death of their main partner Mr. VibhaChhabra in March 2016 at the young age of 57 years. She was the main driving force of their firm and looked all the administrative work of the firm including export documentation.

4. Their export documentation staff thereafter by mistake started filing shipping bills under drawback schemes instead of DES scheme.

5. If this error had not been made they would have exceeded their export obligation within the EOP.

6. On realizing the mistakes due to above reasons, they immediately made genuine efforts to fulfill their exports obligation and made balance exports under above licenses from 35th month to 44th month from the date of issue of the license and fulfilled the export obligation, although outside the EOP.

Decision: The Committee went through the statements made by the firm and noted that, the fact that the firm has made exports is true and the mistake on the part of the firm is that the shipping bills have been filed under different scheme instead of the advance authorization scheme. Further in view of the circumstances stated above by the firm and the fact that the firm had continued to exports, the Committee decided to accept the request of the firm for extension of the EO Period to count the exports already made for regularization purpose subject to payment of 1% composition fee for each month on the unfulfilled EO.

(Action: Applicant)

PH Case No.07: M/s Mahesh Weaving Factory, Bangalore
F.No. 01/60/162/344/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Condonation of pre-import condition of Advance Authorization No.0710109523 dated 15.03.2016 issued under Appendix 4 J condition for closer purpose.

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Harish Dhananjaya, Partner, appeared before the committee on behalf of the firm and made the following submissions:

1. There was no condition sheet attached or any endorsement about Pre-Import condition on the License.

2. They have already completed the export obligations in full within the obligation period and all the bills are also realized in full so there will not be any revenue loss to the government if EODC is issued to this case.

3. They are manufacturer and exporters of traditional goods of Sultanate of Oman and those goods cannot be diverted to local market for any use and as a normal practice and keep the factory running they will have to use the Duty Paid raw materials which they have exported in this license before importing.

Decision: The Committee went through the statements made by the firm and noted that firm is said to have been granted the advance authorization without the condition of pre-import condition by the RA and the firm is also stated to have completed the imports and exports within the validity period of the authorization. Hence the committee decided to condone the requirement of pre-import condition for regularization purpose.

(Action: Applicant)

PH Case No.08: M/s Fine Automotive & Industrial Radiators Pvt. Ltd. Puducherry

F.No. 01/60/162/640/AM18/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Acceptance of following shipping bills/ purchase order number for the purpose of redemption of advance authorization No.2510002630 dated 30.10.2009

1. 3691719 dt. 25.03.2010
2. 3912126 dt. 29.09.2010.
3. 3001970 dt. 28.03.2011
4. 3001888 dt. 28.03.2011
5. 5924822 dt. 20.11.2011
6. 5997437 dt. 25.10.2011
7. 8218999 dt. 28.03.2012
8. 9397823 dt. 15.06.2012
9. 5046508 dt. 24.04.2013

Supplied made to SEZ Unit M/s. Cummins India Ltd., Vide Purchase order no. (1) 8490001608 dated 31.05.2014 ARE-1 S.No. 01/2014-15 Dt. 18.06.2014 duty attested by customs Authorities.(2) 8490002199 dt. 29.08.2014. ARE -1 S.No. 02/2014-15 dt. 13.09.2014 attested by Custom Authorities.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri N. Ravichandran, Manager Accounts, appeared before the committee on behalf of the firm and made the following submissions:

2. The firm has requested for acceptance of free Shipping bills for the purpose of redemption of Advance Authorisation issued under fixed Norms under SION Sr. no. 61/984.

3. The Export executive & CHA are said to have forgotten to mention the advance Authorisation no. on the shipping bills at the time of hand over the documents to the custom.

4. The related documents such as ARE-1, Export invoices, BRCs Etc. showing advance authorisation no. and all the documents co-related with each other as well as with shipping bills.

5. The Documents also show that finished goods were manufactured and supplied/exported by them.

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Decision: The committee went through the statements made by the firm and decided to reiterate its earlier decision of PRC meeting No. 05/AM19 dated 19.06.2018 since free shipping bills cannot not be considered for accounting of EO of an advance authorization.

(Action: Applicant)

PH Case No.09: M/s Indian Oil Corporation Ltd., Mumbai

F.No. 01/60/162/354/AM19/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: To grant of Policy Relaxation for the Applicability of Para 3.14 of HBP (Volume-1) regarding declaration of intent on shipping bills for claiming rewards under MEIS.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri S. Rana, Chief Manager, Commercial, Ms K. R. Lalitha, Chief Manager, Finance, Ms Sunita Minj, Dy. General Manager, Commercial, appeared before the committee on behalf of the firm and made the following submissions:

2. There is procedural requirement of availment of the MEIS benefit under para 3.14 of the HBP, that the exporter needs to mention the intent to claim the MEIS benefit on the shipping bill by ticking "Y'" at the time of filing shipping bill (EDI system) w.e.f. 01.06.2015. Such intent is required for claiming other export benefits such as duty exemption scheme, drawback, EPCG scheme etc also. The probable reason for the declaration intent is exporter should not mis-declare the goods to fraudulently claim the export claim the export benefit and in all such cases where declaration of intent is given on shipping bill, it is expected that customs deptt at the port would verify / check the export content with regards to genuineness towards eligibility as claimed in the shipping bill.

3. During the period starting from 29.10.2015 when the product "Benzene"was included for the grant of MEIS benefit, IOCL exported 58720 MT of benzene, relizing Foreign currency of USD 34.73 million (Rs. 234 crores), from kandla Port to various countries like USA, Saudi Arabia, Netherland and Qatar for the period 18.11.2015 to 21.11.2016 (Let Export date) without declaration of intent for claim of MEIS. That, the benefit of the All industry Drawback (AIR) was claimed and realised on all such export making IOCL's intent expressly clear that same declaration of intent would apply mutatis mutandis to MEIS benefit.

4. However, it was seen that the shipping bill could not get endorsed for intent of claiming the MEIS benefit. As result of same the shipping bill could not get transferred

electronically to DGFT server for the claim of benefit of the MEIS and IOCL is unable to claim of the MEIS Benefit.

5. In view of the foregoing, it is requested that PRC to consider the request of IOCL to grant the claim of MEIS benefit, though the shipping bill have not been endorsed with declaration of intent with Y in the Shipping bills during the period, though IOCL has claimed the duty drawback benefit of all such exports, considering the substantial requirement of claim of the benefit has been fulfilled by IOCL.

6. In case, the said benefit is not available to IOCL, IOCL would be deprived of the huge benefit of Rs. 4.24 crs which would be otherwise be available to IOCL Considering the substantial requirements for grant of MEIS benefit have been fulfilled. It is not the case that IONCL was not eligible for the benefit on export of said benefit.

Decision: The committee went through the statement made by the firm and noted that the declaration of intent issue is being examined by PC-3 division for exports made between 01.10.2015 to 31.03.2016 and the decision taken in this regard will be applicable to the case of the firm also. For the shipping bills w.e.f 01.04.2016, the committee decided to reject the case of the firm since declaration of intent is a mandatory requirement

(Action: Applicant)

PH Case No.10: M/s Continental India Pvt. Ltd., Faridabad

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

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Re-activation of e-com reference No. 05/88/569/63100/299/2944 dated 02.07.2012 to obtain DEPB benefit.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Niranjan Patnayak, Senior Manager – indirect Goods & Service Tax (GST) & Customs, appeared before the committee on behalf of the firm and made the following submissions:

2. The year 2012-13 was transnational operational year for the Continental India Ltd, as the Continental India Ltd had taken over the business of Modi Tyre Co. Ltd in the year.

3. The Management was completely changed and no financial approval authority was appointed for transaction directly from the banking system.

4. All the financial matters were being looked after from the Centralized office in Germany.

5. The delay caused due to un-awareness of the policy time line. The year passed when the matter came to notice and that time E-com reference disappeared from the DGFT Server.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the application for the benefits under the DEPB Scheme. However, the firm has not taken due diligence in availing the same. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

PH Case No.11: M/s Apar Industries Ltd., Vadodara
F. No. 01/60/162/130/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Second revalidation of advance license No.3410042708 dated 02.12.2016.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri S. C. Maity, Senior General Manager, appeared before the committee on behalf of the firm and made the following submissions:

2. The above advance authorization was valid for import till 01.12.2017 and was revalidated upto 01.06.2018. However, they could not complete import of some quantity of High Carbon Steel Wire rod. Further, they have achieved more than 40% value addition than specified in the policy because not much fluctuation in the prices of raw materials.

3. Once side huge amount blocked on account of IGST and other side we bound to pay the above charges which is not bearable to the company as they are securing orders on very competitive price there is no such margin to bear such charges.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the imports under the authorization.

However, the firm has not taken due diligence in availing the same. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

PH Case No.12: M/s Emcure Pharmaceuticals Ltd., Pune
F. No. 01/60/162/364/AM19/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Extension in E.O. period against Advance Authorization No.3110065106 dated 26.11.2014 issued under PC-9 condition.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, ShriAmit Kumar, Manager – Corporate Affairs appeared before the committee on behalf of the firm and made the following submissions:

2. The obtained above advance license for prochlorperazine Edisylate injection USP 10MG/2ML and they have imported a quantity of 16.46 Kgs of Relevant Bulk Drug in three lots.

3. Advance license was under para 4.7 and norms applied on repeat basis has already been ratified. In addition, date of first export was 21.01.2015 and date of last export was 03.06.2016.

4. They have applied to RA, Pune for clubbing the two advance license (3110065106 & 3110065182) and RA denied the clubbing of two licenses on the ground that it was imported from unregistered source drug and suggested to apply in PRC.

5. They have made the export of finished goods within 18 months instead of 12 months. Reason for delay is due to buyer's instruction to affect the supplies only upon confirmation of dispatch. Export of pharmaceutical products to Regulatory market is purely depends upon regulatory requirement and customer's instructions in order to maintain the shelf life of the products. Complete bulk drug quantity is consumed. Hence, there is no balance / left over quantity for destruction.

Decision: The Committee went through the statements made by the firm and decided to allow 1st EOP extension for a period 6 months subject to payment of composition fee @0.5% per month on the unfulfilled FOB value in case exports are effected more than 50% within the initial EOP and @ 1% per month if the exports within the initial EOP are less than 50%.

(Action:Applicant)

PH Case No.13: M/s Emcure Pharmaceuticals Ltd., Pune

F. No. 01/60/162/365/AM19/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Extension in E.O. period against Advance Authorization No.3110065182 dated 08.01.2015.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Amit Kumar, Manager – Corporate Affairs appeared before the committee on behalf of the firm and made the following submissions:

2. The above license issued under PC 9 conditions for finished product of Prochlorperazine Edisylate injection USP 10 MG / 2ML on which they have imported 5.42 kgs bulk drug of Prochlorperazine Edisylate USP. And Advance license was under para, 4.7 and norms applied on Repeat basis has already been ratified on 11.09.2014.

3. They have applied to RA, Pune by clubbing the two advance license (3110065106 & 3110065182) and Jt. DGFT office issued letter to make individual application, as it is import from unregistered source drug, the clubbing will not be allowed. Moreover, suggested them to apply in PRC division of DGFT Delhi.

4. They made export of finished goods within 18 months instead of 12 months. The delay of only 81 days beyond 12 months. Reason for delay is due to buyer's instruction to affect the supplies only upon confirmation of dispatch. Export of pharmaceutical products to Regulatory market is purely depends upon regulatory requirement and customer's instructions in order to maintain the shelf life of the products.

Decision: The Committee went through the statements made by the firm and noted decided to allow EOP extension for a period 6 months subject to payment of composition fee @0.5% per month on the unfulfilled FOB value in case exports are effected more than 50% within the initial EOP and @ 1% per month if the exports within the initial EOP are less than 50%.

(Action:Applicant)

PH Case No.14: M/s Shubhalakshmi Polyester Ltd., Surat

F. No. 01/60/162/371/AM19/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Extension in E.O. period upto 36 months i.e. upto 19.01.2019 against advance authorization No.5210041734 dated 19.01.2016.

1. The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Jay Prakash Singh, Deputy General manager Export, Shri Amit Saraogi, Vice President – PSF Marketing, appeared before the committee on behalf of the firm and made the following submissions:

2. They have obtained two extensions from RA, Surat and have completed 75.39% export obligation.

3. They require three months extension of export obligation from date of endorsement.

4. They could not export within extended export obligation period due to compelling international export market created by severe competition from China in general and Egypt country in particular, due to severe political instability in that country compelled with uncontrolled inflation of 23.54% in 2017.

5. As against export of 28,60,000kgs to Egypt in 2016, they could manage to only 12,60,000 kgs of Polyester Chips in 2017, a reduction of 56% of exports. Also after introduction of GST with effect from 1.7.2017 there was complete blockage of working capital and procedural bottlenecks in time bound exports.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the exports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the exports within the said period. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

PH Case No.15: M/s Sri Salasar Balaji Agro Tech (P) Ltd., Andhra Pradesh
F. No. 01/60/162/849/AM13/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: To grant status star Export House w.e.f 01.04.2012 on the basis of exports made during 2007-2008 AM 2008-09 and AM 2009-10.

Decision: The applicant had sought personal hearing, 2015-2020, which was afforded on 11.09.2018, but no one appeared on behalf of the firm. The committee, in the interest of the natural justice, decided to defer the case and provide the firm another opportunity of personal hearing

PH Case No.16: M/s Jindal Saw Ltd., Pune

F. No. 01/60/162/664/AM17/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Request for condonation of procedural lapse against Advance Authorization No.3110016495 dated 20.07.2004.

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri K. C. Gupta, Head Indirect Taxation, appeared before the committee on behalf of the firm and stated that the request for Redemption against the above Advance Authorization is pending since 2008 with DGFT Pune with reason that the lesser quantity accounted in export product as per endorsement on shipping bill, of input i.e. Carbon Steel Billets is shown as SION 61/797 ratio i.e. 1:20 instead of quantity (MT) in some of the cases in shipping bills.

Decision: The Committee went through the statements made by the firm and noted that the issue will be examined by Policy division.

(Action: Applicant)

PH Case No.17: M/s Avik Pharmaceuticals Ltd., Mumbai

F. No. 01/60/162/1658/AM11/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Extension in E.O. of Advance Authorization No. 0310354496 dated 31.10.2005 under package of relief and concession as approved by BIFR New Delhi under case No.162/2001.

The applicant had sought personal hearing which was afforded on 11.09.2018, Shri Alwyn D' Cunha, Sr. Manager – Finance, appeared before the committee on behalf of the firm and made the following submissions:

1. The firm informed that they received BIFR order copy on dated 17.12.2013
2. After that they approached RA on 16.01.2014 for getting further extension in E.O period and regular follow up thereafter for a period of 3 years.
3. However, no communication was received from RA Mumbai as well as Hqrs. New Delhi.

4. And finally they have received EOP extension from RA office on 21.04.2017 which was upto18 months after the date of BIFR order i.eupto 16.06.2015 which period had already passed.

Decision: The Committee went though the statements made by the firm and noted that the BIFR had provided for extension of EOP and there was significant time involved in the grant of EOP extension by the RA. The EOP extension granted by RA on 21.04.2017 would not serve any purpose for the firm since the extension has been given by RA with back date. Therefore the committee decided to grant EOP extension of 6 months from the date of endorsement.

(Action: Applicant)

PH Case No.18: M/s Platinium Tie-up Pvt. Ltd., Ahmedabad
F. No. 01/60/162/827/AM18/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Revalidation of Advance Authorization No. 0810137686 dated 15.04.2016.

Decision: The applicant had sought personal hearing, which was afforded on 11.09.2018, but no one appeared on behalf of the firm. The committee, in the interest of the natural justice, decided to defer the case and provide the firm another opportunity of personal hearing

PH Case No.19: M/s Whirlpool of India Ltd., Gurgaon
F. No. 01/60/162/293/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Revalidation of Advance Authorization No. 0510322554 dated 19.04.2012.

Decision: The applicant had sought personal hearing which was afforded on 11.09.2018, but no one appeared on behalf of the firm. The committee, in the interest of the natural justice, decided to defer the case and provide the firm another opportunity of personal hearing

PH Case No.20: M/s Tetra Pak India Pvt. Ltd., Pune
F. No. 01/60/162/275/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
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 11.09.2018, but no one appeared on behalf of the firm. The committee, in the interest of the natural justice, decided to defer the case and provide the firm another opportunity of personal hearing

PH Case No.21: M/s Ribbel International New Delhi

F. No. 01/60/162/192/AM18/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Request for Accept documents for EODC against Advance Authorization No.0510309107 dated 23.11.2011 and 0510342972 dated 10.01.2013(Clubbing).

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Vikram Kanodia, Director Intl. Sales, appeared before the committee on behalf of the firm and made the following submissions:

1. The firm has completed the EO in due time against above mentioned Advance Authorization and they have not availed any Duty Drawback in these exports. The quantity exported and value addition against inputs is accepted by RA.

2. In the Advance Authorization no. 0510342972, the grades were mentioned in the applications but mistakenly omitted by DGFT and the same is the case of Customs, some shipping bill shows the Grade some SB not.

3. They can also submit the SPECTRO lab chemicals test report of the surgical blades produced with these steel grades, shipped in these licenses, they have the controlled samples as per ISO 9001 norms.

4. Most of the B/E of imports do not show grade, though they have enclosed the test certificate of the steel imports alongwith shipper invoices which clearly shows the grade. At the time of import. When they are importing under the Authorizaiton, there is no question raised by concerned officials. If the grade is not shown on bill of entries as well as at the time of exports no one told to add the grade in shipping bills even the exports products were under the advance authorization.

Decision: The Committee went through the statements made by the firm and noted that the firm has not mentioned the grade of steel in some shipping bills. The firm is stated to have the lab test reports of the blades produced with the relevant steel grades. The Committee decided to accept the request of the firm subject to submission of chartered engineer certificate based on the stock and consumption register and the lab test reports.

(Action: Applicant)

PH Case No.22: M/s Airen Metals Pvt. Ltd., Jaipur
F. No. 01/60/162/297/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Request for revalidation of Advance Authorization No.0510400333 dated 01.01.2016

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri S. K. Agarwal, Director, appeared before the committee on behalf of the firm and made the following submissions:

1. Due to lack of knowledge and awareness of Foreign Trade Policy, they have not utilized the above mentioned Advance Authorization even though they have completed the export obligation, as mentioned thereon.

2. Since they were new in the field of Foreign Trade Policy, neither they were guided by the importers to whom they were supplying the finished goods nor the person who were applying for Advance Authorization on their benefit with the licensing Authority.

3. As a result, they had been continuously supplying the finished goods under Deemed Exports without utilizing any Advance Authorization, granted to them,

4. They have now been advised that they are entitled to import raw material without paying custom duty for supplying the finished goods against the Advance Authorization.

5. In the meantime, they see that all their Advance Authorizations have no import validity and they have already surrendered all advance authorizations, except Advance Authorization No. 0510401956 dated 15.03.2017 and Advance Authorization no. 0510400333 dt. 01.11.2016 with the Licensing Authority as unutilized.

6. They have been suffering huge financial losses. As a result they are not in a position to procure the raw material from the indigenous sources as there in sudden increase of price of raw materials in the market. They have a lot of export orders in their hand and unable to meet the requirement of export due to shortage of raw materials.

Decision: The Committee went through the statements made by the firm and noted that the firm ~~was~~ having reasonable period of time for making imports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the imports within the said period. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

Case No.23: M/s Vishal Toos& Forgings Pvt. Ltd., Jalandhar
F. No. 01/60/162/353/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Extension in E.O. period for 12 months against Advance Authorization No.3010085085 dated 09.04.2012

Reason: They imported the fibre Glass handles which is supposed to be used with the Sledge Hammers for export but the demand for the international market for Sledge hammer Fiber Glass Handles was not encouraging during obligation period. They have exported the goods worth $ 8294.12 (Qty: 6064 Pcs) which works out to be 37 % of the total export obligation.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the exports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the exports within the said period. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

Case No.24: M/s Arvind Ltd., Ahmedabad
F. No. 01/60/162/147/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Appeal to remove the words 'Customs Attested Invoice' and replace the same with self-attested invoice (Total ten authorization)

1. The Committee has referred to the Case No. 19 in PRC meeting no. 6/AM19 dated 03.07.2018 wherein the firm had requested for condoning the lapse in mentioning the name of relevant man – made component in the export product while filing the export documents like shipping bills.(10 Advance Authorizations).

2. The PRC had had decided that the Regional Authority, shall examine the case after comparing the description of export item given in the shipping bills and the

corresponding custom attested invoices with description of import item given in the bill of entries and related invoices and decide the case on merits.

3. In this regard, RA Ahmedabad has informed that in many cases the shipping bills do not bear the specification of the inputs used in the export item. Further, the firm has expressed the inability to furnish the customs attested invoices containing the specification of the inputs (as required by the PRC decision). Therefore, the firm has not been able to provide documents in line with the PRC decision for issue of EODC which the firm has been asked for regularization of the case. RA has desired that the PRC consider waiving off the requirement of custom attested invoices in their cases, considering the firm being a Four star Export House.

4. The firm has stated that it can support the claim through inhouse test report, CA production and consumption data certificate, CE process certificate with composition of fabrics.

Decision: The Committee went through the statements made by the firm and communication by the RA and noted that the firm has not been able to submit the customs attested invoices and the issues pertains to exports already made . Therefore, the Committee decided to accept the request of the firm and amend the earlier decision to read as -Regional Authority, shall examine the case after comparing the description of export item given in the shipping bills and the corresponding self attested invoices with description of import item given in the bill of entries and related invoices and chartered engineer certificate based on the stock and consumption register test reports.

(Action: Applicant)

Case No.25-32: M/s Thermax Limited Pune
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: To waive off the requirement of net content consumption on S/bills for redemption of Advance Authorizations.

Regional Authority, Pune asked them to furnish the details of Net Consumption of duty free material in the export product certified by Central Excise Authority or Customs. Further, Central Excise Authorities have refused to issue a consumption Certificate as this requirement is not as per the Excise Manual. They have also mentioned the gross consumption on shipping bills. Since the case is quite old, they request the committee to waive of the requirement of Net Content consumption and issue the necessary order.

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

(Action:Applicant)

Case No.33: M/s SRB International Delhi
F. No. 0101/60/162/359/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: To allow at least 6 months' time from the date of uploading the BRCs to file the claim against the shipment pertaining to the period of 2013-14, 2014-15 and 2015-16 as all of their payments were realized on time.

1. The case pertains to shipments for the period of 2013-14 / 2014-15 & 2015-16.

2. There was a change done in port code from INATR8 to INATRB in August 2015.

3. Due to lack of awareness of bank authorities on this change their BRCs for shipments for previous year i.e. 2014-15 (due to follow up for clearing back log) and then current year 2015-16 got issued with old port code.

4. Then they approached the bank for the correction and the corrections are coming in place now and those have been uploaded on current date after the necessary corrections.

5. In the light of facts above, their shipping bills got time barred and they could not apply for the incentive for lack of correct BRCs.

6. They added Shipping Bills with port code INATR8 to repository and those got used in the system due to that.

7. But because of port code change to INATRB those used s/bills could not be used for filling application.

8. Therefore, they had to got those shipping bills Activate/Release from NIC. The process is time consuming so the shipping bills got time barred in the process, they are still in process of getting released and still a lot of shipping bills are getting time barred. So they seek extended validity so that they can claim incentive for those as well.

Decision: The Committee went through the statements made by the firm and noted that the firm has stated about the multiple issues and has not submitted any co-relating documents to substantiate its statements. Therefore the committee decided to inform the firm to appear for a personal hearing along with the supporting documents for examination of its requests.

(Action:Applicant)

Case No.34: M/s Apar Industries Ltd., Vadodara
F. No. 01/60/162/357/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Clubbing of Advance Authorization No.3410041489 dated 02.09.2015 and 3410041129 dated 09.04.2015

1. They didn't receive any deficiency letter at the time of making application for mismatch of description of HS code 72173020 by RA and with that the Advance Authorization no. 3410041129 was issued to them successfully at one go.
2. Import were also allowed by customs under Advance Authorization 3410041129 without any objection.
3. There was no objection raised either form RA or Customs till completion of clearance of inputs but at the time of EODC / Clubbing, RA has now raised objection with mismatch in HS codes along with description.
4. They have sought clubbing on the strength that import items remains the same in both the Advance Authorization 3410041129 the import item is for specific size whereas in Advance Authorization no. 3410041489 the import item covers any size but below 18 SWG.
5. Therefore the specific size import items as per Advance Authorization 3410041129 is also covered under the Advance Authorization no. 3410041489.
6. They have gone for general size description in Advance Authorization 3410041489 (covering all sizes below 18 SWG) because they had multiple orders of different sizes and in order to minimize nos. of Authorization with different sizes they were compelled to resort to one Advance Authorization of general size HS code import item.
7. They regret the objection being raised by the RA at this stage as this would defeat the idea of ÉASE OF DOING BUSINESS'. SINCE THEY ARE GETTING ORDER ON LEAST COMPETITIVE with stiff competition from china.

Decision: The Committee went thought the statements made by the firm and decided to accept the request of the firm for clubbing subject to fulfillment of accountability of the inputs since the import items remain same, but of different sizes in both the advance authorization .

(Action: Applicant)

Case No.35: M/s Lalit Pipes & Pipes Ltd., Mumbai
F. No. 01/60/162/360/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Revalidation of DFIA No.0310703684 dated 01.08.2012.

1. That the DFIA Authorization was issued on 01.08.2012 and the exports were fulfilled by 11.03.2013 and that thereafter the payment was received in time.

2. That, there was substantial loss of time due to reasons as herein below stated:

a. Submission of their request for EODC in July 2014, further period of six months was lost due to exchange of various deficiency memos;
b. The company faced difficulty in retrieving documentation and further clarification and / or information in relation to the deficiency memos owing to the fact that the Company was facing 'DARK hours', making it difficult to attend the same within the prescribed time.
c. Owing to the reasons as stated above, they say that though the export obligation was fulfilled within prescribed time period, no import could be made.
d. Hence they submitted that since it was not practically possible for them to utilize or effect the import of authorization for above reasons and request to consider this application sympathetically for their request for revalidation of this DIFA license.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the imports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the imports within the said period. The committee therefore decided to reject the case of the firm.

Case No.36: M/s Lalit Pipes & Pipes Ltd., Mumbai
F. No. 01/60/162/361/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Revalidation of DFIA No.0310673954 dated 02.01.2012

1. That the DFIA Authorization was issued on 02.01.2012 and the exports were fulfilled by 23.08.2012 and that thereafter the payment was received in time.

2. That, there was substantial loss of time due to reasons as herein below stated:

a. Submission of their request for EODC in mid 2014, further period of six months was lost due to exchange of various deficiency memos;

b. The company faced difficulty in retrieving documentation and further clarification and / or information in relation to the deficiency memos owing to the fact that the Company was facing 'DARK hours', making it difficult to attend the same within the prescribed time.

c. Owing to the reasons as stated above, they say that though the export obligation was fulfilled within prescribed time period, no import could be made.

d. Hence they submitted that since it was not practically possible for them to utilize or effect the import of authorization for above reasons and request to consider this application sympathetically for their request for revalidation of this DIFA license.

<u>Decision</u>: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the imports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the imports within the said period. The committee therefore decided to reject the case of the firm.

Case No.37: M/s Arvind Pipies & Fittings Industries Pvt. Ltd., Mumbai
F. No. 01/60/162/108/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Clubbing of three Advance Authorization No.(i) 0310781419 dated 13.05.2014 (ii) 0310794540 dated 12.03.2015 (iii)0310799470 dated 16.10.2015.

1. There are only two different forms of these import products i.e. SS Coils & SS Tube / Pipes manufactured out of same base material i.e. "Stainless Steel" having the same grade of SS 300 Series.

2. Both the imports are that of Stainless Steel. One is of SS Coil and the other is that of SS Pipes, both are identical & similar as the former is immediate pre-stage of latter i.e. in other words, when the coils are bedded and processed according to required outer diameter & sizes the pipes / tubes are formed. SS Coil is taken as backward integration of SS Pipes, therefore , they request for clubbing of these identical licenses having similar products of Stainless Steel.

3. PRC has also already allowed the clubbing of their previous case proposed exactly for the same items & SIONs in PRC Meeting no. 14 /AM18 dated dated 22.08.2017 case no. 33 and the Committee decided as below.

4. If they may humbly point out that matching of the item ITCHS codes as asked by RA, Mumbai in the D/L dated 12.10.2017 is not relevant as FTP is nowhere asking for the same, as a clubbing provision.

5. The Authorizaitons for clubbing, fulfil usual conditions like issuance within span of 18 months and issuance from same RA. Also the EOP of the earliest authorization is 31.05.2016 & for subsequent two authorizations the last date of export is 02.07.2015 and 18.01.2016 respectively which is well within the EOP of earliest issued Adv. Authorizations.

6. This clubbing request is proposing to cover 91.62 % of unfulfilled E/O and for the balance they are prepared to pay the duty saved plus interest at RA, Mumbai to regularize the License as worked out in the clubbing application.

7. They are an Export House in last two Policy Periods having manufacturing unit at Vadodara, Gujarat, and they have never defaulted at RA Mumbai and have redeemed more than 70 advance license in last 20 years and had only there applied for the Relaxation earlier at Delhi office.

Decision: The Committee went through the statements made by the firm and noted that as per Para 4.38(xi) of the HBP 2015-20, inputs which are common in all authorizations shall only be clubbed. Since in all the subject authorizations, the import items are not common, the committee decided to reject the case of the firm.

(Action:Applicant)

Case No.38: M/s Tashu International New Delhi
F. No. 01/60/162/374/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Non furnishing of BRC and shipping Bill No.1005800 dated 17.08.2006 and consider invoice No.TI-2182 dated 22.08.2006 which is showing No Export Incentives for fulfilment of Export obligation of Advance Authorization No.0510185062 dated 20.06.2006

1. An Advance Authorisation No.050185062 dated 20.06.2006 was obtained by the firm for import of PE velvet flocking Polyester Velvet and other items. The said Advance Authorisation was issued alongwith the condition that the firm shall export Bows and other items.

2. A Deficiency letter dated 07.08.2015 was issued from CLA, New Delhi to the firm.

3. Vide the said letter, the firm was asked to furnish the original or photocopies of the BRC''s and were also requested to furnished revised statement exports after specifically excluding S/B No.1005800 dated 17.08.2006 and other shipping bill wherein exports made against No Export Incentives.

4. The reply against such letter was duly filed by the firm on 26.08.2018

5. They have stated that and there were no malafide intention of the firm to make any incorrect claim or to furnish any inaccurate particular with regard to not endorsing the advance authorization No.0510185062 on the export invoice TI-2182 dated 22.08.2006.

6. The mistake committed by the firm was an inadvertent error and therefore, benefit of export incentive should not denied to the Assessee.

7. However the firm has not claimed any other benefit for the particular shipping bill which is showing "No Export Incentives. So their request for consider this exports towards the fulfillment of export obligation of advance authorization is a genuine grievance.

Decision: The Committee went through the statements made by the firm and noted that the firm has stated that the bank has issued the confirmation certificate in respect of the BRC lost by the firm and the firm is also have stated to have filed an FIR on the issue.. The said confirmation letter from the bank can be accepted in lieu of the BRC by the RA. The firm shall submit an indemnity bond to the effect that it would indemnify Government for financial loss, if any, on account of lost BRC. Further, In respect of the shipping bill which has been filed under the category of no incentives, the committee noted that the declaration of the authorization number is mandatory on the export documents and therefore declined to accept the request of the firm for accepting such shipping bills.

(Action: Applicant)

Case No.39: M/s Archidply Industries Ltd, Delhi

F. No. 01/60/162/376/AM19/PRC

PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: 2nd revalidation of Advance Authorization No.0510400827 dated 16.12.2016

They have done excess export against this licence, they are eligible for further imports. However due to some uncertainly in Global market they were not able to import the entire quantity/value of eligibility.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the imports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the imports within the said period. The committee therefore decided to reject the case of the firm.

Case No.40: M/s MPD Industries Pvt. Ltd.,
F. No. 01/60/162/107/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: To condone of procedural lapse of not generating bill of exports supplies mad to SEZ units against Advance Authorization No.5610003370 dated 12.12.2013.

1. As per the Rule 30 of SEZ Rules, 2006, it is necessary to file Bill of Exports to claim exports entitlement. But due to procedural lapse they failed to file Bill of exports and supplied the goods under ARE-I and invoice. The copy of invoices and corresponding ARE-1. Indicating the details particular advance authorization.

2. They have not been issued bill of exports against their supplies to SEZ. However, they request to consider following documents as proof of exports

i. ARE -1 duly endorsed by the SEZ Customs (indicating File No. and Advance Authorisation details)

ii. Self certified copies of invoices showing File No/Advance Authorisation Nos.

Decision: The Committee went through the statement made by the firm and noted that the bill of export is a mandatory document required for EODC. The Committee was of the view that the requirement of submission of Bill of Export cannot be waived and hence rejected the request of the firm.

(Action:Applicant)

Case No.41: M/s Epitome Petropack Ltd., Kolkata
F. No. 01/60/162/375/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: 2nd Revalidation of Advance Authorization No.0210206981 dated 09.09.2016.

Reason: The main reason for 2nd revalidation is that we could not import raw material due to very unfavourable pricing. They were trying to procure orders from Foreign Buyers, offering better price and now are expecting finalization of deal with some foreign buyers in a couple of months. Thus, they are asking for 2nd re-validation of the license.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the imports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the imports within the said period. The committee therefore decided to reject the case of the firm.

Case No.42: M/s K.P. Packaging Limited Mumbai
F. No. 01/60/162/379/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: EOP extension of Advance Authorization No.0310692803 dated 30.04.2012.

They were interacted with PRC for Clubbing of this Script with other Scripts. But they were denied permission. They have to close the Licenses individually, they require time for complete EODC.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the exports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the exports within the said period. The committee therefore decided to reject the case of the firm.

Case No.43: M/s K.P. Packaging Limited Mumbai
F. No. 01/60/162/378/M19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: EOP extension of Advance Authorization No.0310653795 dated 15.09.2011

They were interacted with PRC for Clubbing of this Script with other Scripts. But they were denied permission. They have to close the Licenses individually, they require time for complete EODC.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the exports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the exports within the said period. The committee therefore decided to reject the case of the firm.

Case No.44: M/s Rhine Power Pvt. Limited Delhi
F. No. 01/60/162/88/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Allowing the TED refund on supplying the goods to EPCG authorisation holder against invalidation letter EPCG authorization No.0530151311 dated 19.12.2010 and 0530151319 dated 19.02.2010 in terms of Para 8.2(c) of FTP 2009-2014.

1. The firm has requested for review of the PRC decision in Meeting No.07/AM19 dated 10.07.2018 wherein the PRC had noted that under deemed exports there is not concept of their party supply and the supplies in the instant case were made to third party other than the EPCG authorization holder. Therefore, the applicant is not eligible for the TED refund.

2. The firm has stated that the supplies were not made to third party as they have already explained in their earlier request that they had supplied the material directly to the EPCG Authorisation holder project site at Grand Chola Hotel, Chennai(not to M?s. L & T Ltd) as per Para 8.2© of FTP 2009-14 under deemed exports.

3. The EPCG authorization holder had got the authorizations iinvalidated in the applicant's favour and the name of M/s.L & T is only mentioned in the column of name and address of consignee in supply invoices. The name and address of the Authorisation holder was also given in the column of name and address of consignee in supplies invoices.

4. The firm has further stated that as per terms and conditions of contract between the applicant and the authorization holder, the Capital Goods would be supplied against the EPCG authorizations under invalidations under demed export and accordingly, tey had ultimately supplied the material to the EPCG Authorisation holder under deemed export .ie ITC Ltd Project site at Grand Chola Hotel Chennai and not to M/s.L & T.

5. M/s. L & T is only the outsourcing agency which was hired by project authority for only installation and commissioning work of CGs at project site of M/s.ITC Ltd.

Decision: The Committee went through the statements made by the firm and noted that the supplies have not been made to the EPCG Authorisation holder. There is no concept of make supplies to entities other than the EPCG authorization holder under provisions of the FTP/HBP. The committee therefore decided to maintain rejection in the case of the firm.

(Action:Applicant)

Case No.45: M/s West India Continental Oils and Fats Pvt. Ltd., Mumbai
F. No. 01/60/162/31/AM19/PRC **(P.H Case)**
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Review of decision PRC Meeting 09/AM19 dated 17.07.2018 Advance Authorization No (1) 3010103908 dated 23.12.2016 (2) 3010103907 dated 23.12.2016 and (3) 3010103902 dated 16.12.2016

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Parth appeared before the committee on behalf of the firm and made the following submissions:

1. The firm has stated that the period of shipment in the above DFIAs was 31.12.2017 which meant that the goods shipped upto the period of shipment can be cleared against the DFIAs.

2. Also in the EDI system of Customs, the import end date is 31.12.2017

3. The Para 9.11 of HBP 2015-20 states that he date of import if the mode of transport is by sea would be reckoned as the date as affixed on bill of lading which is 30.12.2017 falling within the licenses validity period.

4. That they acted in good faith as per the period of shipment stated by the Licensing authority on the DFIAs and therefore eligible to be cleared against the DFIAs in question.

5. Therefore, the firm has requested for revalidation of the above DFIAs.

Decision: The Committee went though the statements made by the firm and noted that, as per Para 2.16(a)(vi) of the HBP 2015-20 which governs the above DFIA authorizations, Validity period of DFIA shall be for a period of 12 months from the date of issue. The fact that the authorizations shall be governed by the provisions of the FTP/HBP as on date of issue was also specified in the conditions sheet of the authorizations. The firm ought to have brought to the notice of the issuing authority if there was any ambiguity over the validity period of the authorization. However, the applicant did not take any due diligence to clarify the ambiguity and ignored to comply with the provisions of the HBP. Therefore, the Committee decided to reiterate its earlier decision not to revalidate the above DFIAs.

(Action:Applicant)

Case No.46: M/s. Indorama Synthetics (India) Ltd, Nagpur
F. No. 01/60/162/009/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018

Subject: Request for allow discharging of EO in Clubbing of 10 Nos. Advance Authorization (9 Nos RA Nagpur & 1 RA Bhopal)

1.	1110021473 dated 22.12.2009	2.	5010001267 dated 09.04.2012
3	5010001352 dated 04.06.2012	4.	5010001415 dated 09.07.2012
5.	5010001416 dated 09.07.2012	6.	5010001594 dated 23.10.2012
7.	5010001595 dated 17.10.2012	8.	5010001597 dated 20.09.2012
9.	5010002118 dated 04.12.2012	10	5010002123 dated 05.11.2012

1. They are manufacturing five final products (POY, PSF, DTY, FDY and PET Chips) and Advance Authorization taken for each final product separately. Raw materials for all final products are common (PTA, MEG, SB2O3, TIO2& SFO).

2. Market trend for export of our final products declined from 2012 and w.e.f. 05.06.2012 EOP of Advance Authorization reduced to 18 months from 36 months. It has caused very hardship to close outstanding Advance Authorization individually.

3. In spite of all possible efforts including installed capacity to export; we could not cover up as planned based on FTP during 2010-11 Versus changed on 05.06.2012

4. Further, One Advance Authorization under Clubbing issued by RLA Bhopal & 9 RLA Nagpur.

Decision: The Committee went through the statements made by the firm and noted that the authorizations have been issued by different Regional Authorities and clubbing of such cases is not provided under the existing provisions of the FTP/HBP. Therefore the Committee decided to reject the case of the firm for clubbing of the above authorizations.

(Action:Applicant)

Case No.47: M/s Indorama Synthetics (India) Ltd., Nagpur
F. No. 01/60/162/832/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Request for allow discharging of EO in Clubbing of 05 Advance Authorization (03 issued from RA Nagpur & 2 issued from RA Bhopal)

1. 1110021612 dt.14.01.2010 2. 1110021656 dt.25.01.2010 3.5010001351 dt.04.06.2012 4.5010001384 dt.21.06.2012 and 5.5010001412 dt. 09.07.2012

1. They are manufacturing five final products (POY, PSF, DTY, FDY and PET Chips) and Advance Authorization taken for each final product separately. Raw materials for all final products are common (PTA, MEG, SB2O3, TIO2& SFO). Market trend for export of our final products declined from 2012 and w.e.f. 05.06.2012 EOP of Advance Authorization reduced to 18 months from 36 months. It has caused very hardship to close outstanding Advance Authorization individually.

2. In spite of all possible efforts including installed capacity to export; we could not cover up as planned based on FTP during 2010-11 Versus changed on 05.06.2012.

3. Further, 3 advance authorizations under clubbing issued by RA, Nagpur and 2 from RA, Bhopal.

Decision:: The Committee went through the statements made by the firm and noted that the authorizations have been issued by different Regional Authorities and clubbing of such cases is not provided under the existing provisions of the FTP/HBP. Therefore the Committee decided to reject the case of the firm for clubbing of the above authorizations.

(Action:Applicant)

PH Case No.48: Sundaram Chains Pvt. Ltd., Mumbai
F. No. 01/60/162/381/AM19/PRC **(PH Case)**
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Condonation of delay of 10 days beyond 90 days period prescribed under para 4.77 (c) of HBP for export of gold jewelery to be exported from the date of procurement of Gold from State Bank of India on the request of their foreign buyer.

The applicant had sought personal hearing, which was afforded on 11.09.2018, Shri Raja Nair, Senior Managar (Imp-Exp.) appeared before the committee on behalf of the firm and made the following submissions:

1. They have procured Gold from SBI for export of Gold Jewellery which was to be exported within 90 days from the date of procurement under Para 4.77 (c) of HBP. Five consignments were procured on 10.02.2017 and 6th consignment was procured on 18.05.2017 from SBI.

2. Out of six consignments Gold Jewellery was exported within 90 days against three consignments. However, in respect of remaining three consignments there was a delay of up to 10 days beyond requisite 90 days period. This was only on the request of the foreign buyer to delay the export of consignments from India on account of their certain problems faced by them due to very frequent fluctuation of gold price in SINGAPORE.

Decision: The Committee went through the statements made by the firm and noted that the firm was having reasonable period of time for making the exports under the provisions of the FTP/HBP. However, the firm has not taken due diligence in completing the exports within the said period. The committee therefore decided to reject the case of the firm.

(Action: Applicant)

Case No.49: Tata Motors Limited, Mumbai
F. No. 01/60/162/402/AM19/PRC
PRC Meeting No. 15/AM19 dated 11.09.2018
Subject: Request under Para 2.58 of FTP for manually amended 5 shipping bills by Customs, for benefit of MEIS Script for technical Reasons of EDI System showing "NO" in shipping bill in Reward supported with an amendment letter from Customs.

1. The firm was aware fully 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..

2. However, In 5 shipping bills handled by JNPT Customs, due to reasons not known, Reward Scheme declaration appeared as "No" instead of "Yes".

3. However, in 3 of these shipping bills, namely shipping bill no. 4390189, 7650635 and 7660636 declarations of intent "We intend to claim rewards under MEIS" was duly mentioned.

4. JNPT Customs accepted the issue and considered the correction for 5 shipping bills for reward scheme declaration from "No" to "Yes" manually as per letters dated 30.03.2018.

5. 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.

Decision: The Committee went through the statements made by the firm and noted that the Policy division is already examining references received on extending the benefit of MEIS to shipments for the period 01.10.2015 to 31.03.2016 in cases where the exporter had inadvertently declared the intent as "N" but had mentioned his intent in the affirmative on the shipping bills in wordings. The decision on the same will be applicable to the case of the applicant as well. In respect of shipments made after 31.03.2016, without the intent as "Y", the committee noted that selection of "Y" in the reward column is mandatory at the time of filing the EDI shipping bills and only such shipping bills are transmitted by the Customs for the purposes of MEIS. Due to non-availability of such shipping bills in the DGFT Server for MEIS, such firms cannot make the MEIS Claims. The committee therefore decided to reject the request of the firm for shipments made after 31.03.2016.

(Action: Applicant)

Case No.50:

The following cases were discussed in the meeting. The committee noted that communication have been received for the following firms without the prescribed application in ANF 2D and prescribed application fee as per Appendix 2K (fully / Partly) and therefore are to be treated as incomplete applications. Therefore, the committee decided to reject such case in terms of para 2.05 of the HBP 2015-20:

Sl No.	Name of firm	Subject of firm	Reasons for rejection
1	M/s Nazareth Alloys	Grant of EO Extension for regularization of Advance Licence no. 0310025780 t. 08.03.2000. File no. 749/AM00	ANF 2D and fee proof not submitted
2	M/s. Chanderpur Works Pvt Ltd	Application for DEPB Licence	ANF 2D and Fee not submitted
3	M/s. Field Fresh Pvt. Ltd.	Application for EOP Extension	ANF 2D not submitted
4	M/s.	EOP Extension against Advance	PH case fee

	NagarjunaAgrichem Ltd	Authorization No. 0910051323 dt. 16.02.2012	shortage (3000/- only)
5	M/s. CG Power and Industrial and solution ltd (formerly known as Crompton Greaves Ltd)	Request for consideration of free shipping Bill into Advance Authorization Shipping Bill against Advance Authorization No. 0310797584 dt. 23.07.2015	ANF 2D and Fee not submitted
6	M/s. Posco India Holdings Pvt. Ltd.	Application for registration of FPS license in favor of M/s POSCO India Holdings Private Limited (IEC: 0409030856)	ANF 2D and Fee not submitted
7	M/s. Bio Tech Ophthalmic Pvt Ltd	Request for relaxation / clubbing on various Advance Licences which were issued under SION and under 4.7 with PC9 condition	ANF 2D and Fee not submitted
8	M/s. Bharathi cement corporation Pvt Ltd	Request for grant of Second Revalidation of our Import Authorization	ANF 2D and Fee not submitted
9.	M/s. Plastalloy Pvt. Ltd., Varanasi	2nd Revalidation of import period of Advance Authorization no. 1510022115 dated 07.10.2016.	Complete Fee not paid
10	M/s. Arfin India Limited, Gujarat	Revalidation of Advance Authorization no. 0810138989 dt. 28.10.2016.	ANF 2D and Fee not submitted
11.	M/s. Thermax Limited	Redemption of Advance Authorization 3110064996 dated 21.10.2014 and 3110065443 dated 21.05.2015.	ANF 2D and Fee not submitted