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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 27.08.2019 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No.17/AM20 held on 27.08.2019

The following members were present in the meeting:

1. Shri K.C. Rout — Addl. DGFT
2. Shri R. P. Goyal — Addl. DGFT
3. Shri Vijay Kumar — Addl. DGFT
4. Shri Satyan Sharda — Addl. DGFT
5. Shri Anil Aggarwal — Addl. DGFT
6. Shri Rajbir Sharma — Jt. DGFT

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

S. No	Name of the firm	Case No.
1.	M/s Simplify Growth Research and Consulting Private Limited, New Delhi	1
2.	M/s Lohia Corp Ltd., Kanpur	2
3.	M/s Plastiblends India Limited, Mumbai	3 & 4
4.	M/s Kohinoor International, Jalandhar	5
5.	M/s Kohinoor India Pvt. Ltd., Jalandhar	6
6.	M/s Arch Pharmalabs Limited, Mumbai	7
7.	M/s Maxop Engineering Co. Pvt. Ltd., New Delhi	8
8.	M/s Centex International Pvt. Ltd., Ludhiana	9
9.	M/s Kwality Overseas Pvt. Ltd., Ludhiana	10 to 14
10.	M/s Alstom Transport India Limited, Bengaluru	15
11.	M/s Bronze Exim Pvt. Ltd., Ludhiana	16
12.	M/s Mulberry Silks Limited, Bangalore	17
13.	M/s Sunita Exports, Mumbai	18
14.	M/s Rajesh Kumar & Brothers, Bhadohi	19
15.	M/s G.G. Automotive Gears Ltd., Dewas	20
16.	M/s Shockley Hall Electronics (P) Ltd., Kolkata	21
17.	M/s Atop Food Products Pvt. Ltd., Rajkot	22
18.	M/s Arihant Metal Works, Mumbai	23
19.	M/s Indorub Industries, New Delhi	24
20.	M/s Caparo Engineering India Ltd., New Delhi	25
21.	M/s Calcom Cement India Ltd., Assam	26
22.	M/s Haldia Petrochemicals, Kolkata	27

PH Case No. 01 M/s Simplify Growth Research and Consulting Private Limited, New Delhi.
F. No. 01/60/162/67/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: To relax the technical requirement under Para 3.08(f) viz holding active at the time of export of export service for claiming SEIS claim and to allow the SEIS Script against F.No.05/21/098/80462/AM19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Shri Ashish Chaudhary, Chartered Accountants appeared on behalf of the firm and made the following submissions:

They have stated that they had filed an application for the claim of SEIS scrip for the FY 2017-18, declaring net foreign exchange USD 1,010,469.41 and SEIS entitlement to the tune of INR 67,44,904.21 vide above file number. CLA, Delhi issued a deficiency memo dated 11.03.2019 proposing that the SEIS claim is deficient due to IEC being obtained by them only on 28.09.2018. They submit that all the conditions as applicable to them have been fulfilled while filing their SEIS except that of procedural flaw specified in clause (f) of para 3.08. Further submits that the requirement of having an active IEC at the time of exporting of services is a mere procedural requirement. They hold IEC at the time of application of SEIS claim under Form ANF 3B and having substantial conditions of the SEIS claim. Accordingly their request to relax requirement of active IEC at the time of export of service may be relaxed.

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

(Action: Applicant)

PH Case No. 02 M/s Lohia Corp Ltd., Kanpur
F. No. 01/60/162/839/AM19/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Condonation of delay in filing the applications for claim of FPS/FMS against 8 nos. of files.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 03 M/s Plastiblends India Limited, Mumbai
F. No. 01/60/162/369/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Revalidation of Advance Authorization No.0310811857 dated 17.03.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Shri Anand Mundra, CFO appeared on behalf of the firm and made the following submissions:

They have stated that they are 2 star export house status holder and license has been issued on 17.03.2017 under FTP 2015-2020 w.e.f 30.06.2015, wherein para 4.02 states "Applicability of policy & Procedure Authorisation under this chapter shall be issued in accordance with the policy and procedures in force on the date of issue of the Authorization". Therefore, their request for revalidation of license is governed by para 4.47 (a) (ii) of HBP 2015-2020 w.e.f 04.08.2015, prevailing at the time of issue of license, which states "While allowing waiver of Bond, Regional Authority may revalidate the Authorisation in continuation for further six month from the date of endorsement provided applicant has made a specific request and paid requisite fee for revalidation". They also informed that the restriction of total period for revalidation up to 24 months has been introduced w.e.f 5.12.2017 vide para 4.47 (a))vi) of HBP 2015-2020, and same is not applicable in their case. Hence, specifically request for revalidation of the subject license.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and since EO has been fulfilled in full, decided to allow revalidation of Advance Authorization No.0310811857 dated 17.03.2017 for a period of 6 months from the date of endorsement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 04 M/s Plastiblends India Limited, Mumbai
F. No. 01/60/162/289/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Revalidation of Advance Authorization No.0310812259 dated 30.03.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Shri Anand Mundra, CFO appeared on behalf of the firm and made the following submissions:

They have stated that they are 2 star export house status holder and license has been issued on 30.03.2017 under FTP 2015-2020 w.e.f 30.06.2015, wherein para 4.02 states "Applicability of policy & Procedure Authorization under this chapter shall be issued in accordance with the policy and procedures in force on the date of issue of the Authorization". Therefore, their request for revalidation of license is governed by para 4.47 (a) (ii) of HBP 2015-2020 w.e.f 04.08.2015, prevailing at the time of issue of license, which states "While allowing waiver of Bond, Regional Authority may revalidate the Authorization in continuation for further six month from the date of endorsement provided applicant has made a specific request and paid requisite fee for revalidation". They further informed that the restriction of total period for revalidation up to 24 months has been introduced w.e.f 5.12.2017 vide para 4.47 (a))vi) of HBP 2015-2020, and is not applicable in their case. Hence, specifically request for revalidation of the subject license.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and since EO has been fulfilled in full, decided to allow revalidation of Advance Authorization No.0310812259 dated 30.03.2017 for a period of 6 months from the date of endorsement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 05 M/s Kohinoor International, Jalandhar
F. No. 01/60/162/437/AM19/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: To permit the transfer of export shipment made under the Advance Authorization No.3010060654 dated 24.03.2009 to Advance Authorization No.3010060511 dated 16.03.2009.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 06 M/s Kohinoor India Pvt. Ltd., Jalandhar
F. No. 01/60/162/438/AM19/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: To permit the transfer of export shipment made under the Advance Authorization No.3010060654 dated 24.03.2009 to Advance Authorization No.3010054650 dated 10.01.2008.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 07 M/s Arch Pharmalabs Limited, Mumbai
F. No. 01/60/162/86/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Extension in E.O. period – Registered with BIFR (total 105 Advance Authorizations.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 08 M/s Maxop Engineering Co. Pvt. Ltd., New Delhi
F. No. 01/60/162/122/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Extension in E.O. period or interest waiver against Advance Authorization No.0510320088 dated 14.03.2012.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Ms. Kamla Joshi, Manager appeared on behalf of the firm and made the following submissions:

They have stated that the subject license was got issued for very specific export items for a specific customer. But due to sudden reduction in customer's demand, they had cancelled all the orders of these parts. Because of this, they could not export those parts. But now they have export order for the same product and they will export the product within 6 months.

Decision: The Committee heard the submission made by the firm and observed that AA involved is very old i.e. more than 7 years old. It discussed the matter at length and found no merit in the request and hence decided to reject it.

(Action: Applicant)

PH Case No. 09 M/s Centex International Pvt. Ltd., Ludhiana
F. No. 01/60/162/365/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Regularization of EO against Advance Authorization No.3010103022 dated 16.07.2014.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 10 M/s Kwality Overseas Pvt. Ltd., Ludhiana
F. No. 01/60/162/269/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of 37 Shipping bills towards fulfillment of EO against Annual Advance Authorization No.3010084520 dated 19.03.2012.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 11 M/s Kwality Overseas Pvt. Ltd., Ludhiana
F. No. 01/60/162/269(A)/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of 3 Shipping bills towards fulfillment of EO against Annual Advance Authorization Nos.3010061307 dated 21.05.2009.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 12 M/s Kwality Overseas Pvt. Ltd., Ludhiana
F. No. 01/60/162/269(B)/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of 13 shipping bills towards fulfillment of EO against Annual Advance Authorization No.3010061589 dated 11.06.2009.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 13 M/s Kwality Overseas Pvt. Ltd., Ludhiana
F. No. 01/60/162/269(C)/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of 3 shipping bills towards fulfillment of EO against Annual Advance Authorization No.3010061526 dated 08.06.2009.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 14 M/s Kwality Overseas Pvt. Ltd., Ludhiana
F. No. 01/60/162/269(D)/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of 38 shipping bills towards fulfillment of EO against Annual Advance Authorization No.3010070308 dated 20.10.2010.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 15 M/s Alstom Transport India Limited, Bengaluru
F. No. 01/60/162/347/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Relaxation to the provision of Para 4.38 (vi), (vii) and (xii) to FTP 2015-20 of HBP for clubbing of eight Advance Authorizations No.(i)0710090351 dated 21.08.2012, (ii)0710090531 dated 31.08.2012, (iii)0710095554 dated 23.05.2013, (iv)0710096369 dated 02.07.2013, (v)0710096370 dated 02.07.2013, (vi)0710099232 dated 28.10.2013 and (vii)0710101246 dated 10.01.2014 and (viii) 0710105249 dated 20.06.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Shri Milind B Belsare, Tax Director appeared on behalf of the firm and made the following submissions:

They have stated that initially, 7 Advance Authorizations were applied for duty free import of inputs required for the manufacture and supply of 33 Metro Train sets to Chennai Metro Rail Limited being a deemed export project. ATIL sought amendment in all 7 Advance Authorizations to include residual items that were required to manufacture the 33 Train sets but the request was rejected citing technical reasons by RA. Thereupon, ATIL was compelled to apply for additional Advance Authorization No.0710105249 dated 20.06.2014 for importing residual inputs that were missed out and not covered under earlier 7 Advance Authorizations. Acquisition of Alstom India limited who was the manufacturer of key sub-assemblies also lead to inclusion of components required for manufacture of sub-assemblies in the captioned Advance Authorization. However, while applying for the said Advance Authorization (8^{th} AA), export obligation of 33 Metro Train sets was declared inadvertently, as the system did not allow the applicant to apply for a new license unless the export obligation was declared. In fact, there is no separate EO under the Advance Authorization No.0710105249 dated 20.06.2014 as all imported inputs were used for manufacture of 33 train sets declared under previous 7 Advance licenses. The Advance Authorization No.0710105249 dated 20.06.2014 under which parts required for manufacture of 33 Metro Trains have been imported has been issued after 22 months from the date of earliest Advance Authorization in the clubbing set. Hence, request is to treat the supplies of 33 Train sets to the Metro Project supplied against Advance Authorizations as one and to discharge the EO.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and decided to relax the conditions as laid down in Para 4.38 (vi), (vii) and (xii) of HBP 2015-20 as amended vide Public Notice No.70/2015-20 dated 30.01.2019 for clubbing of eight Advance Authorizations No.(i)0710090351 dated

21.08.2012, (ii)0710090531 dated 31.08.2012, (iii)0710095554 dated 23.05.2013, (iv)0710096369 dated 02.07.2013, (v)0710096370 dated 02.07.2013, (vi)0710099232 dated 28.10.2013 and (vii)0710101246 dated 10.01.2014 and (viii) 0710105249 dated 20.06.2014. It is subject to verification that amendments request of the firm made in the AAs was rejected by the RA, as claimed by the firm and all inputs imported in the 8 AAs are fully accounted for in the supplies. The other terms and conditions for clubbing shall remain same as per policy/HBP provisions. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

PH Case No. 16 M/s Bronze Exim Pvt. Ltd., Ludhiana
F. No. 01/60/162/910/AM19/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: With acceptance of 7 shipping bills toward fulfillment of export obligation against Annual Advance Authorization No.3010052047 dated 07.06.2007.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 17 M/s Mulberry Silks Limited, Bangalore
F. No. 01/60/162/221/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Relaxation regarding time limit restriction for shipping bills to issue duty credit script against four FPS Files No.(i)07/21/087/50011/AM19, (ii)07/21/087/50012/AM19, (iii)07/21/087/50013/AM19 and (iv)07/21/087/50014/AM19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019, Ms. Hemalatha J., Assistant Manager appeared on behalf of the firm and made the following submissions:

They have stated that as per FTP they have to submit the closure application for EODC against DFIA license through online only by attaching shipping bills in e-com application. Although they achieved the license target within the license period, they could not submit the closure application to RA as the shipping bills were not visible in e-com application for attaching. There would have been shortfall in their achievement vis-à-vis the license targets, without attaching these shipping bills. So the approached custom office several times to re-transmit these shipping bills to DGFT site. After several attempts they were able to get the shipping bills re-transmitted to DGFT site, but again due to some technical error in DGFT site, even though these shipping bills appears in shipping bill repository, but not showing in e-com application. Their problem was resolved on 06.09.2018 and immediately on

07.09.2018 they submitted closure application. As a result of this process, delay in submission of FPS file application happened, which is entirely beyond their control and due to non-visibility of the shipping bills in the online e-com application.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. The Committee observed that due to utilization of shipping bills in DFIA scheme, the firm has faced the problem which was beyond their control. Accordingly, it is decided to accede to the request of the firm for grant of FPS benefit against four File Number No.(i)07/21/087/50011/AM19, (ii)07/21/087/50012/AM19, (iii)07/21/087/50013/AM19 and (iv)07/21/087/50014/AM19. Late cut, if any, on the entitlement will be decided taking the date of linking of these shipping bills with DFIA applications as the basis. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

Case No. 18 M/s Sunita Exports, Mumbai
F. No. 01/60/162/363/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: To allow supplementary MEIS benefit against three Shipping Bills No.9984425 dated 29.12.2018, 3971956 dated 04.04.2018, and 377151 dated 26.03.2018.

They have stated that they may be allowed to claim supplementary MEIS against subsequent issued BRC against 3 Shipping Bills No.9984425 dated 29.12.2018, 3971956 dated 04.04.2018 and 377151 dated 26.03.2018, as these shipping bills have been applied by mistake for partial amount. During the application it was automatically added to their file and so it got applied by mistake. They are small exporter and the amount is substantial around Rs 5,00,000. In Agri business they work on very small margin and in order to get more orders they pass on part of the MEIS benefit which will be getting to their overseas buyer.

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

(Action: Applicant)

Case No. 19 M/s Rajesh Kumar & Brothers, Bhadohi
F. No. 01/60/162/366/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Time extension for filing of MEIS application against four time barred shipping bills.

They have stated that due to late payment & multiple part payment by overseas buyer they are unable to file MEIS application on time for the following shipping bills No.4383324 dated 31.12.2015, 5835646 dated 13.02.2016, 5125407 dated 06.01.2016 & 6402189 dated 11.03.2016. According to the MEIS scheme they have to apply within three years from the shipping bill date. Hence, requested to allow them additional filling time from the date of realization as given in earlier policy 2009-2014; FPS Scheme.

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

(Action:PRC/ Applicant)

Case No. 20 M/s G.G. Automotive Gears Ltd., Dewas
F. No. 01/60/162/194/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: 2nd EOP Extension up to 2 years of EPCG License No.1130001815 dated 23.06.2010.

They have stated that the last 5-6 years have seen a drastic reduction in export of railway components to overseas market from India primarily due to extremely high barriers of entry and monopolies by Giants such as GE and Siemens in the traditional market GGAG has previously served. As a result, their export has taken a dip. Moreover, due to worldwide recession in international market their buyer has deferred their purchase schedule. Now, they are ready to purchase the material. Therefore request is for extension in EO.

Decision: The committee went through the statements made by the firm and noted there is no merit in the case of the firm and decided to reject the request of the firm.

(Action: Applicant)

Case No. 21 M/s Shockley Hall Electronics (P) Ltd., Kolkata
F. No. 01/60/162/358/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Clubbing and discharge of EO against 4 Advance Authorizations No.0210205803 dated 15.05.2015, 0210205108 dated 31.10.2014, 0210207803 dated 17.10.2016 and 0210207644 dated 31.5.2017.

They have stated that they are exporting the same item soft stuffed toys. Their buyer advised them to delay the shipment. Also big toy retail of the world got closed for bankruptcy causing further delay in shipment. Afterwards some shipments were effected at a later date enabling them to use the imported raw material and do the EO fulfillment. For this they require that the first two licenses may be allowed to be clubbed with the other two licenses. The relaxation sought is only for time aspect.

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

(Action: Applicant)

Case No. 22 M/s Atop Food Products Pvt. Ltd., Rajkot

F. No. 01/60/162/01/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: To review the clarification given by DGFT HQ in the matter of EPCG Authorization issued to them which pertain to interpretation of first sub-para of Para 5.1 of FTPAM06

They have stated that the issue involves interpretation of first sub-para of Para 5.1 of FTP AM-06, particularly, as to whether the benefits mentioned therein are admissible to any agro unit or only to those agro units which are located in any agro export zone. EPCG division, vide their letter dated 12.04.2019, has clarified that benefits of the first sub Para referred above are admissible to only those agro units which are located in any agro export zone and not to any other agro into located outside an agro export zone. They strongly feel that such clarification is not in line with the provisions contained in the FTP and that since no such condition has been stipulated either in the para itself or anywhere else in the FTP or even in the relevant custom notification referred here, the benefits are admissible to all agro units whether located in any agro-export zone or outside it.

Decision: The Committee went through the submission made by the firm and decided to ratify the decision taken by EPCG division in the matter. Accordingly request of the firm for review of the clarification given by EPCG division was rejected.

(Action: Applicant)

Case No. 23 M/s Arihant Metal Works, Mumbai
F. No. 01/60/162/368/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Regularization of exports made before imports against Advance Authorization No.0310817643 dated 08.12.2017.

They have stated that they are a small manufacturer and obtained the license for the first time and have completed full export obligation under the license. However, exports have been made prior to imports. Therefore they have not followed the condition of pre-import as required under Appendix 4j. They have made their exports between 10.12.2017 to 24.04.2018, whereas DGFT has imposed EO / pre-import restriction vide PN dated 18.10.2017 and has deleted EO/pre-import condition vide PN No.77/2018 dated 06.03.2019. They had already approached RA, however their request has been declined on the ground that their exports have been made before issue of PN No.77 dated 06.03.2019 and they have asked to regularize their case by payment of duty and interest.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and decided to accede to the request of the firm by regularizing exports already made before imports against Advance Authorization No. 0310817643 dated 08.12.2017. Imports against Advance Authorization would be allowed proportionate to the exports already made in subject Advance Authorization.

(Action: Applicant/RA)

Case No. 24 M/s Indorub Industries, New Delhi
F. No. 01/60/162/340/AM20/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Waiver of average export obligation (AEO) in respect of exports of Rubber Hose Pipes against EPCG Authorization No.0530142811 dated 10.01.2007 and 0530143012 dated 05.02.2007.

They have stated that Goods are exported to Argentina, Vietnam and Iran. Since 2008, Global recession hit badly their export destined to Argentina and Vietnam. Iran export was hit by sanction put by USA. Global recession and its effect were not in the control of license holder and due to this they did not maintain Average Export Obligation. Licenses are operative under FTP (2004-09) Customs Notification No. 97/2004-Cus dated 17.09.2004. Force majeure and waiver of EO has been prescribed in Para 5.11.2 of HBP (2004-09), Para 4 of the Notification No.97/2004-Cus dated 17.09.2004 and the subject case is squarely covered under provision provided. Specific EO of both licenses has been fulfilled.

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

(Action: Applicant)

Case No. 25 M/s Caparo Engineering India Ltd., New Delhi
F. No. 01/61/180/233/AM19/PC-3
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: FPS benefit against item exported "Screws and Bolts whether or not with their Washers, Threaded" under ITC HS code 73181500 as per Appendix 37 D.

This case has been referred by PC-3 Division in reference to CLA Delhi's letter dated 11.10.2018. CLA Delhi stated that the firm had applied to issue FPS license against export of "Screws and Bolts, whether or not with their Washers, Thread", under ITC(HS) Code 73181500 as per Appendix-37D. The case could not be considered because the export item is not described as 'Thread' in the S/Bills of export. Firm has submitted for relaxation of the same. Firm also submitted their clarification vide letter dated 06.11.2017 against description of export product "Screws and Bolts whether or not with their Nuts or Washers, with its classification of item under Chapter Heading-73 (ITC-HS Code 73181500) which itself qualifies the desired description of export item. The firm has also submitted a certificate dated 14.05.2018 issued by Chartered Engineer to CLA Delhi confirming that the item exported "Screws and Bolts whether or not with their Nuts or Washers, as mentioned in S/Bills are 'Threaded articles' as described with HSN code of 'Thread' and 'Non-Thread' articles.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and decided to allow FPS benefit to M/s Caparo Engineering India Ltd., New Delhi against items exported "Screws and Bolts, whether or not with their Washers, Threaded" under ITC(HS) Code 73181500 as per Appendix 37D.

(Action: Applicant/RA/PC-3 Division)

Case No. 26 M/s Calcom Cement India Ltd., Assam
F. No. 01/36/218/362/AM-18/EPCG-I
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Acceptance of exports proceeds in INR from Nepal and Bhutan in respect of EPCG authorizations.

They have stated that they exports cement clinker to Nepal, it complies with all the applicable provisions of the Customs Act 1962, for every export. They receives "Bill of Export for Duty Free Goods" from the Custom Authorities of Nepal wherein the quantity, description and value of the exported goods are clearly mentioned. The import duty in Nepal is fixed at Nepalese Rs.200 PMT (which is approx.INR 1500 PMT). Additionally, there is VAT Rate of 13% on the value of goods imported. Total duties are approx.60% to 135% or above, depending on the value of goods and logistics cost. Vide email dated 26.07.2019 they forwarded copy of show cause notice received from RA stating that their product; Cement Clinker is very high volume less value product, known to the world and therefore concern of department of same goods coming back to country is not possible in this product, as the cost of product is much less than the cost of transport. Agenda for the PRC meeting sent by EPCG division was also discussed in detail.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and keeping in view an earlier decision of PRC taken in its meeting held on 3.4.2018 in case of M/s Gold Plus Glass industry, decided to accept the exports proceeds in INR from Nepal and Bhutan in respect of EPCG Authorizations towards fulfillment of EO. The other terms and conditions for fulfillment of EO shall remain same as per Policy/HBP provisions. Firm shall approach RA concerned within 30 days from the date of uploading of the minutes of the meeting.

(Action: Applicant/RA)

PH Case No. 27 M/s Haldia Petrochemicals, Kolkata
F. No. 01/60/162/498/AM17/PRC
PRC Meeting No. 17/AM20 dated 27.08.2019

Subject: Extension in E.O. period of Advance Authorization No.0210122139 dated 13.01.2009.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.08.2019. Shri Arunabha Biswas, General Manager – Finance & Accounts appeared on behalf of the firm and made the following submissions:

They have stated that they had applied extension in EO of all their pending advance licenses so as to secure the completion of export obligation. Their request was extension for 82 licenses which included the above advance authorization also. During the course of processing of this case, the Additional Chief Secretary, C&I Department, Government of West Bengal also recommended their cases including this license to the central government for extension. A cabinet note was moved by the DoR in this regard. Upon approval of the cabinet, extension was communicated to them for 90 licenses, but the list of licenses against which the EOP was extended was not provided to them. Since this license was the oldest on the list, they presumed that the subject authorization would be a part of the 90 licenses. The original EO had already been completed but in view of the additional 20% imposed as a condition; this balance export was made within January, 2016. The list of 90 licenses was shared by DoR vide its letter dated 11.04.2016, explaining that the basis of arriving at 90 licenses wherein they have mentioned that the statement having 104 rows contains the list of licenses. However on scrutiny it was found that the statement has only 102 rows and it is possible that the balance 2 rows contained this license No.0210122139 dated 13.01.2009. It may be presumed that there may be an inadvertent omission in not including the license within the list for which extension was granted. They had applied for EODC in this case but same has been rejected by RA. Hence, requested for regularization of exports made beyond EOP for this advance authorization..

Decision: The Committee heard the representatives of the firm and discussed the case in detail. It observed that Advance Authorization No.0210122139 dated 13.01.2009 is also similarly placed to 90 other licenses in which extension has already been allowed. It would have also been allowed extension, if it was not missed out in the list of 90 other cases. In view of justification provided by the firm, committee decided to accede to the request of the firm and allowed EOP extension up to January 2016 of Advance Authorization No.0210122139 dated 13.01.2009 for regularization purpose only. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA)

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