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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 24.12.2019 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.25/AM20 held on 24.12.2019

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. Ashish Life Science Pvt. Ltd., Mumbai	1
2.	M/s. Allure Fashions, Bangalore	2
3.	M/s. Schneider Electric IT Business India Private Limited, Bangalore	3
4.	M/s. Tafe Motors and Tractors limited, Tamil Nadu	4
5.	M/s. Multi Colour Packs, Mumbai	5
6.	M/s. Cadila Healthcare Limited, Ahmedabad	6 to 8
7.	M/s. SRJ Engitech Pvt. Ltd., Vadodara	9
8.	M/s. Swani Spice Mills Pvt. Ltd., Mumbai	10
9.	M/s. Remi Edelstahl Tubulars Limited, Mumbai	11
10.	M/s. Dev Life Corporation, Mumbai	12
11.	M/s. Mahindra Electric Mobility Limited, Bangalore	13
12.	M/s. Cadila Healthcare Limited, Ahmedabad	14
13.	M/s. Blech Chem Exim (India) Pvt. Ltd., Ahmedabad	15
14.	M/s. Pinnacle Clothing Co. Noida	16
15.	M/s. Luna Chemical Industries Pvt. Ltd., Mumbai	17
16.	M/s. Apar Industries Limited, Vadodara	18
17.	M/s. Florence Shoe Company Pvt. Ltd., Chennai	19
18.	M/s. Mukta Art Limited, Mumbai	20
19.	M/s. Asha Rubber Industries, Janlandhar	21
20.	M/s. Scraft Products Private Limited, New Delhi	22
21.	M/s. Havells India Limited, New Delhi	23
22.	M/s. SNS Energy Pvt. Ltd., Vadodara	24

23.	M/s. Luna Chemical Industries Pvt. Ltd., New Delhi	25
24.	M/s. Neuland laboratories Limited, Hyderabad	26
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Case No. 01 M/s. Ashish Life Science Pvt. Ltd., Mumbai
F. No. 01/60/162/636/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To allow MEIS benefit against following 14 time barred Shipping bills pertaining to the Year 2015-16:-
(i) 9333572 dated 01.05.2015, (ii) 2531746 dated 21.08.2015, (iii) 1485527 dated 29.06.2015, (iv) 1486511 dated 29.06.2015, (v) 1485560 dated 29.06.2015, (vi) 1648485 dated 07.07.2015, (vii) 1812603 dated 15.07.2015, (viii) 1826755 dated 16.07.2015, (ix) 3247106 dated 28.09.2015, (x) 3247061 dated 28.09.2015, (xi) 3805169 dated 28.10.2015, (xii) 3805556 dated 28.10.2015, (xiii) 3975549 dated 05.11.2015 and (xiv) 3975622 dated 05.11.2015.

The applicant stated that 100% cut in MEIS entitlement value is being put for these shipping bills. E-BRC were uploaded during Nov-2018 for export made via Bandar Abbas, Iraq (Tran-shipment Port) during the FY 2015-16. Under these S/Bills, exports were made to CIS Countries and the shipments were routed through Transit Port Bandar Abbas, Iran. As per OFAC Circular, Shipment(s) routed through this port/country, required comprehensive sanction from USA when currency value is USD. The Authorized Dealers (AD) – Banks were not willing to regulate such type of shipping documents. Consequently e-BRCs were not issued/uploaded and MEIS incentive could not be availed, even through the payment of export shipment realized in time.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee decided to allow MEIS benefit only for 5 Shipping Bills No.(i) 9333572 dated 01.05.2015, (ii) 1485527 dated 29.06.2015, (iii) 1486511 dated 29.06.2015, (iv) 1812603 dated 15.07.2015 and (v) 1826755 dated 16.07.2015 without any late cut, out of the above total 14 shipping bills. The Committee did not allow MEIS benefit against balance 9 Shipping Bills, as realization has happened after 3 years of shipment and therefore request for same were found to be without any merit. The firm shall approach RA within 180 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai/EDI for making necessary correction in the system)

Case No. 02 M/s. Allure Fashions, Bangalore
F. No. 01/60/162/296/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Acceptance of 3 time barred Shipping Bill No.(i) 7703757 dated 17.05.2016, (ii) 7415543 dated 02.05.2016 and (iii) 1456666 dated 04.10.2016.

The applicant stated that the shipping bill No. (i) 7703757 dated 17.05.2016, (ii) 7415543 dated 02.05.2016 were pending for e-BRC and it got cleared. They applied for MEIS benefit against above shipping bills but the system is showing 100% deduction for late application. Out of these, EGM of Shipping Bill No.1456666 dated 04.10.2016 still is not closed. They were waiting to apply all together for MEIS after clearance. They were trying since two years to clear the EGM issue and it will be cleared in next couple of weeks as per Customs.

Decision: The Committee discussed the case in detail and found no merit in it and hence decided to reject the requests of the firm.

(Action: Applicant)

Case No. 03 M/s. Schneider Electric IT Business India Private Limited, Bangalore
F. No. 01/60/162/641/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Revalidation of MEIS Scrip No.0719021638 dated 07.09.2017 or reactivation of 8 shipping bills to regenerate the e-com application.

The applicant stated that the above Scrip was not utilized 100% within the validity period due to inadvertent mistake by their CHA and rare escape from their internal check and control which is resulting in unutilized amount of Rs.20,48,267/- out of total scrip value of Rs.50,48,267/-. They have obtained the utilization ledger from ICD, Whitefield Plantations, Bangalore (INWFD6) which shows the actual unutilized balance of Rs.20,48,267/-. Since, this unutilized amount is having big financial impact on their business, they have requested to grant them extension of validity period for 30 working days to utilize the balance scrip amount or allow for deletion of the 8 Shipping Bills No.(i) 238510 dated 23.11.2016, (ii) 240699 dated 24.11.2016, (iii) 240700 dated 24.11.2016, (iv) 243491 dated 25.11.2016, (v) 245481 dated 26.11.2016, (vi) 245588 dated 26.11.2016, (vii) 247477 dated 28.11.2016 and (viii) 249939 dated 29.11.2016 from E-com and reactivate the shipping bills in the repository to enable them to generate a fresh E-com for the reactivated shipping bills on payment of requisite fee and applicable late cut if any, as applicable.

Decision: The Committee discussed the case at length and found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 04 M/s. Tafe Motors and Tractors limited, Tamil Nadu
F. No. 01/60/162/643/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To allow MEIS benefit against shipping bills pertaining to December, 2016 (which let export date are falling in January, 2017).

Decision: It was observed that this case has already been decided in the earlier PRC Meeting No.24/AM20 held on 17.12.2019 (Case No.04). Therefore, the Committee allowed withdrawing this case.

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Case No. 05 M/s. Multi Colour Packs, Mumbai
F. No. 01/60/162/640/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To allow MEIS benefit against 2 Shipping Bill No.(i) 4793147 dated 18.12.2015 and (ii) 5055729 dated 02.10.2016.

The applicant stated that the total payment for the above 2 shipping bills have been realized in August, 2019. However, since three years have already passed, they cannot claim MEIS due to delay of payment from their buyer. They were unable to apply within the prescribed time limit. They had also informed RBI for delay of payment. Now, the full payment has been realized, but after 3 years, so they are getting 100% late cut in the system.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee found that there is no merit in the case as firm had sufficient time to apply for MEIS benefit against two Shipping Bills No.4793147 dated 18.12.2015 and 5055729 dated 02.10.2016 with late cut as both realization and uploading of E-BRC has taken place within 3 years of exports.

(Action: Applicant/RA, Mumbai)

Case No. 06 M/s. Cadila Healthcare Limited, Ahmedabad
F. No. 01/60/162/657/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Issuance of fresh Credit Scrip as per Para 3.12 of FTP 2015-2020 or allow revalidation and manual re-credit of import duties to the extent of 98% i.e. Rs.41,56,021/- against MEIS Duty Credit Scrip No.0819018541 dated 15.09.2016 on account of re-export of unfit imported goods.

The applicant stated that they had imported material vide BOE No.7590490 dated 25.11.2016 at Customs location INBOM4 and debited duty worth Rs.42,40,838/- under MEIS Duty Credit Scrip Authorization No.0819018541 dated 15.09.2016. After importing the said material and during quality test of material, they came to know that material supplied by foreign supplier did not match with the technical specification as decided between both the parties. Based on the test report, they have initiated the matter with foreign supplier and shared required details regarding supplied goods were unfit and not matched with technical specification agreed upon and confirm to re-export the same to said supplier. They have re-exported the unfit goods vide Shipping Bill No.7546041 dated 24.07.2017 from same Customs location i.e. INBOM4. Initially, they had approached to the office of Commissioner of Customs, Drawback Cell of Sahar Air Cargo Complex, Mumbai to get refund of import duties @ 98% as stated in Section 74 of Customs Act, 1962. The office of Drawback Cell, Sahar Customs, Mumbai informed them that as import duties were debited under MEIS duty credit scrip and not paid in cash, refund of import duties @ 98% shall not be processed by Customs and informed them to approach office of DGFT. In comply with Para 3.12 of HBP of FTP 2015-20, they have obtained certificate from Customs Authority containing particulars of scrip used, date of imports of re-exported goods and amount debited while importing such goods and same was submitted to office of RA, Ahmedabad with request to issue fresh scrip to the extent of 98% of debited amount with same port of registration and valid for a period equivalent to balance period available on the date of import of defective / unfit goods. However, RA, Ahmedabad informed them that there is no software module available in system to issue fresh scrip, once MEIS has already been issued in respect of a particular shipping bills as per provision mentioned in Para 3.12 of HBP. Hence, requested to relax the current provision and issue fresh duty credit scrip online or allow them manual revalidation with re-credit of Rs.41,56,021/- against the scrip for the balance period as stated in Para 3.12 of HBP of FTP 2015-2020.

Decision: The Committee discussed the case at length and observed that there is merit in the case and decided to allow manual revalidation of MEIS Scrip No.0819018541 dated 15.09.2016 for a period of 6 months from the date of endorsement. It was further decided to re-credit of import duties to the extent of 98% paid on imported goods as the same are re-exported. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Ahmedabad)

Case No. 07 M/s. Cadila Healthcare Limited, Ahmedabad
F. No. 01/60/162/653/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Issuance of fresh Credit Scrip as per Para 3.12 of FTP 2015-2020 or allow revalidation and manual re-credit of import duties to the extent of 98% i.e. Rs.5,86,234/- against MEIS Duty Credit Scrip No.0819018552 dated 15.10.2016 on account of re-export of unfit imported goods.

The applicant stated that they have imported material vide BOE No.7590490 dated 25.11.2016 at Customs location INBOM4 and debited duty worth Rs.5,98,198/- under MEIS Duty Credit Scrip Authorization No. 0819018552 dated 15.10.2016. After imported the said material and during quality test of material, they came to know that material supplied by foreign supplier did not match with the technical specification as decided between both the parties. Based on the test report, they have initiated the matter with foreign supplier and shared required details regarding supplied goods were unfit and not matched with technical specification agreed upon and confirm to re-export the same to said supplier. They have re-exported the unfit goods vide Shipping Bill No.7546041 dated 24.07.2017 from same Customs location i.e. INBOM4. Initially, they had approached to the office of Commissioner of Customs, Drawback Cell of Sahar Air Cargo Complex, Mumbai to get refund of import duties @ 98% as stated in Section 74 of Customs Act, 1962. The office of Drawback Cell, Sahar Customs, Mumbai informed them that as import duties were debited under MEIS duty credit scrip and not paid in cash, refund of import duties @ 98% shall not be processed by Customs and informed them to approach office of DGFT. In comply with Para 3.12 of HBP of FTP 2015-20, they have obtained certificate from Customs Authority containing particulars of scrip used, date of imports of re-exported goods and amount debited while importing such goods and same was submitted to office of RA, Ahmedabad with request to issue fresh scrip to the extent of 98% of debited amount with same port of registration and valid for a period equivalent to balance period available on the date of import of defective / unfit goods. However, RA, Ahmedabad informed them that there is no software module available in system to issue fresh scrip, once MEIS has already been issued in respect of a particular shipping bills as per provision mentioned in Para 3.12 of HBP. Hence, requested to relax the current provision and issue fresh duty credit scrip online or allow them manual revalidation with re-credit of Rs.5,86,234/- against the scrip for the balance period as stated in Para 3.12 of HBP of FTP 2015-2020.

Decision: The Committee discussed the case at length and observed that there is merit in the case and decided to allow manual revalidation of MEIS Scrip No.0819018552 dated 15.10.2016 for a period of 6 months from the date of endorsement. It was further decided to re-credit of import duties to the extent of 98% paid on imported goods as the same are re-exported. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Ahmedabad)

Case No. 08 M/s. Cadila Healthcare Limited, Ahmedabad
F. No. 01/60/162/654/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Issuance of fresh credit scrip as per Para 3.12 of FTP 2015-2020 or allow revalidation and manual re-credit of import duties to the extent of 98% i.e. Rs.30,03,932/- against MEIS Duty Credit Scrip No.0819016653 dated 10.08.2016 on account of re-export of unfit imported goods.

The applicant stated that they have imported material vide BOE No.7173635 dated 21.10.2016 at Sahar Air Cargo Complex (INBOM4) and debited duty worth Rs.30,65,236.90 under MEIS Duty Credit Scrip Authorization No.0819016653 dated 10.08.2016. After imported the said material and during quality test of material, they came to know that material supplied by foreign supplier did not match with the technical specification as decided between both the parties. Based on the test report, they have initiated the matter with foreign supplier and shared required details regarding supplied goods were unfit and not matched with technical specification agreed upon and confirm to re-export the same to said supplier. They have re-exported the unfit goods vide Shipping Bill No.7546041 dated 24.07.2017 from same Customs location i.e. INBOM4. Initially, they had approached to the office of Commissioner of Customs, Drawback Cell of Sahar Air Cargo Complex, Mumbai to get refund of import duties @ 98% as stated in Section 74 of Customs Act, 1962. The office of Drawback Cell, Sahar Customs, Mumbai informed them that as import duties were debited under MEIS duty credit scrip and not paid in cash, refund of import duties @ 98% shall not be processed by Customs and informed them to approach office of DGFT. In comply with Para 3.12 of HBP of FTP 2015-20, they have obtained certificate from Customs Authority containing particulars of scrip used, date of imports of re-exported goods and amount debited while importing such goods and same was submitted to office of RA, Ahmedabad with request to issue fresh scrip to the extent of 98% of debited amount with same port of registration and valid for a period equivalent to balance period available on the date of import of defective / unfit goods. However, RA, Ahmedabad informed them that there is no software module available in system to issue fresh scrip, once MEIS has already been issued in respect of a particular shipping bills as per provision mentioned in Para 3.12 of HBP. Hence, requested to relax the current provision and issue fresh duty credit scrip online and allow them manual revalidation with re-credit of Rs.30,03,932/- against the scrip for the balance period as stated in Para 3.12 of HBP of FTP 2015-2020.

Decision: The Committee discussed the case at length and observed that there is merit in the case and decided to allow manual revalidation of MEIS Scrip No.0819016653 dated 10.08.2016 for a period of 6 months from the date of endorsement manually. It was further decided to re-credit of import duties to the extent of 98% paid on imported goods as the same are re-exported. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Ahmedabad)

Case No. 09 M/s. SRJ Engitech Pvt. Ltd., Vadodara
F. No. 01/60/162/676/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To allow MEIS benefit against S/Bills pertaining to the year 2015-16, 2016-17, 2017-18 and 2018-19, in which 'N' has been mentioned instead of 'Y' in reward column.

The applicant stated that they are seeking relaxation under Para 3.14 of HBP 2015-20. While filing 45 shipping bills, due to oversight, their CHA has mentioned declaration for MEIS but in Reward Scheme instead of "Y" it was marked "N". The export items are eligible for MEIS for HSN No.85049010 (S.No.4218).

Decision: The Committee examined the case on the basis of justification furnished by the firm and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for whatsoever reason) do not get electronically transmitted on-line in the automated environment. Accordingly, it decided to reject the case.

(Action: Applicant)

Case No. 10 M/s. Swani Spice Mills Pvt. Ltd., Mumbai
F. No. 01/60/162/573/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Acceptance of description of exported item as per shipping bills and corresponding excise attested invoices towards fulfillment of EO against Advance Authorization No.0310807465 dated 30.08.2016 and 0310811833 dated 15.03.2017.

The applicant stated that they had obtained the subject authorizations for import of Whole/Spit Coriander & Exports of Coriander Powder. The description mentioned on the license is Coriander Powder and on the shipping bills they have mentioned as Coriander Seed Powder and Coriander Powder. There is one additional condition on the adhoc norms fixed by ALC "that same variety, grade and origin Coriander has to be used". They have mentioned the details of Grade/Variety/Bill of Entry Number on the export invoice which is attested by Customs/Excise. Hence, requested to allow the description as mentioned on the shipping bill read along with detail shown on corresponding excise invoices for redemption of the license.

Decision: The Committee after going through the representation observed that no policy relaxation is involved in the case. Accordingly it decided to defer the case and refer it to PC 4 division for its examination and resolution.

(Action: Applicant/PC-4 Division)

Case No. 11 M/s. Remi Edelstahl Tubulars Limited, Mumbai
F. No. 01/60/162/322/AM19/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To consider the date of supply as 2005 which was wrongly mentioned as 2004 in supply documents towards redemption of Advance Authorization No.0310316861 dated 15.02.2005.

The applicant stated that they had completed 100% EO. However, the year of supply was wrongly mentioned as 2004 in the supply documents whereas it should be 2005 which was corrected and a letter was issued from material receiving unit i.e. M/s. IOCL stating the correct year of supply as 2005 and also from their excise range office i.e. office of the Superintendent, Excise Range IOC-L, Panipat vide letter dated 03.03.2010 confirming the year of supply as 2005. Further, after PRC Meeting No. 03/AM20 dated 16.04.2019, they tried to find proof from the old records but could not find and after a great hardship they have got the supply invoices in which a year of supply was having 2005 written by the receiving unit Accounts Officer with stamp, signed and correct date. They have not taken any benefit of this supply under any scheme.

Decision: The Committee went through the statements made by the firm and decided to defer the case and write a letter along with copies of invoices to IOCL requesting them to confirm the actual date of receipt of these supplies in their Refinery for taking further decision in the matter.

(Action: Applicant/PRC-Division)

Case No. 12 M/s. Dev Life Corporation, Mumbai
F. No. 01/60/162/642/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: EOP extension of Advance Authorization No.0310797461 dated 21.07.2015.

The applicant stated that they had imported Nystatin Raw Material of 122.7 Kgs. (750 BOU) from Romania vide Bill of Entry No.2244129 dated 14.08.2015 to fulfill the export order of 2,50,000 bottles Devnyst Nystatin 1,00,000 iu/ml Oral Suspension 30 ml. They have completed the shipment of 50% after receipt of the payment from the importer within the EO limit. The payment of the next 50% of order was not received from the importer inspite of various follow ups, hence the goods were not manufactured and they were unable to make the shipment within the EOP. They travelled to Cameroon in April, 2017 to meet the importer and request the payment for the execution of the incomplete shipment. 50% of advance of Euro 20000 was received to commence the production in April, 2017 and they completed the balance 50% export on 29th July, 2017.

Decision: The Committee examined the case in detail and decided to allow EOP extension up to 31.07.2017 of Advance Authorization No.0310797461 dated 21.07.2015 only for regularization purpose subject to payment of composition fee @ 0.5% per month on the unfulfilled FOB value, if exports are fulfilled more than 50% within initial EOP or @ 1% per month where exports have been made less than 50% within initial EOP. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai)

Case No. 13 M/s. Mahindra Electric Mobility Limited, Bangalore
F. No. 01/60/162/650/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Extension of EO Period against Advance Authorization No.0710051436 dated 26.04.2007.

The applicant stated that in their efforts to launch first Indian Electric Car "e2o" globally, they had imported inputs under the subject advance authorization for export of 200 numbers of Reva Electrically Operated Vehicles (Four Wheeler Electrically Operated Vehicle). They had fulfilled 88% (175 cars) of EO within original EOP. The original EOP was 26.04.2010 (36 months). However, due to some unavoidable circumstances they have exported 16 cars beyond EOP by one month. They request to grant one month EOP extension to them to cover the 16 cars which they have exported beyond original EOP.

Decision: The Committee discussed the case in detail and noted that there is a merit in the case. Hence, the Committee decided to accept the request and allowed EOP extension up to 31.05.2010 of Advance Authorization No.0710051436 dated 26.04.2007 for regularization purpose only subject to payment of lump sum composition fee of Rs.10,000/-. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Bangalore)

Case No. 14 M/s. Cadila Healthcare Limited, Ahmedabad
F. No. 01/60/162/656/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Considering Norms on applied basis towards discharge of EO against Advance Authorization No.0810112515 dated 14.06.2012.

The applicant stated that they had obtained the subject authorization under no Norms Category under Policy Circular No.9 dated 30.06.2003 & PN No.15 dated 17.09.2003 for import of 82.50 gms of Flumazenil. Vide Bill of Entry No.7579219 dated 04.08.2012, they have imported 82 gms of Flumazenil for manufacture and export of Flumazenil inj. 01 Mg/Ml (5ML) and Flumazenil 01. Mg/ML (10ML). However ratification of norms was deferred by ALC vide its Meeting No.20/82-ALC4/2013 dated 16.01.2014, after 19 months of issuance of the license and 5 months after the expiry of the license for export. Further the Norms were ratified with ratio of 1.02% by ALC vide Meeting No.17/82-ALC42015 dated 27.01.2016 i.e. after 43 months of issuance of license and 29 months of the expiry of the license. They had exported 60.72 gms vide Shipping Bill No.3127946 dated 20.12.2012 and 4495333 dated 18.03.2013 as per applied Norms ratio of 1.75%. Also due to batch failure, they had to surrender Customs Duty with interest for 21.28 gms of Flumazenil and have obtained Destruction Certificate from the Jurisdictional Central Excise Authorities. Thus, the total quantity exported with destruction quantity comes out to 82 gms. They could not wait for the ratification of Norms for fulfillment of exports, hence, based on the applied Norms they have completed the EO and forwarded the documents to RA, Ahmedabad as per Para 4.76 (a) of HBP 2012-13 for closure of the Advance License. There is no balance raw material available with them.

Decision: The Committee went through the statements made by the firm in their application and after deliberations, it decided to waive the requirement of destruction certificate for the excess import quantity from excise authorities against Advance Authorisation No.0810112515 dated 14.06.2012 only for redemption purpose subject to the condition that the applicant would submit an affidavit-cum-indemnity bond in order to indemnify the Government for any harm or loss occurring due to diversion of unregistered materials to the domestic market that may be detected in future by any Authority.

(Action: Applicant/RA, Ahmedabad)

Case No. 15 M/s. Blech Chem Exim (India) Pvt. Ltd., Ahmedabad
F. No. 01/60/162/645/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Revalidation of 6 Duty Free Import Authorization DFIA No.(i) 0810143321 dated 27.08.2018, (ii) 0810143270 dated 20.08.2018, (iii) 0810143592 dated 28.09.2019, (iv) 0810143410 dated 06.09.2018, (v) 0810143541 dated 25.09.2019 and (vi) 0810143308 dated 24.08.2018.

The applicant stated that the Govt. India made compulsory Bureau of India Standard (BIS) Certification for Import of Caustic Soda Lye vide Notification issued on April 3, 2018. After the implementation, they were unable to find such overseas supplier with Bureau of Indian Standard (BIS) Certification or any of their client for import of Caustic Soda Lye against the above 6 DFIAs. Due to the same reason they were also unable to sell them to any another importer of this product in their known circle.

Decision: The Committee went through the statements made by the firm and decided to defer the case and to obtain the details of suppliers of caustic Soda lye and their date of registration from Bureau of Indian Standard (BIS) for taking the decision in the matter.

(Action: Applicant/PRC-Division)

Case No. 16 M/s. Pinnacle Clothing Co., Noida
F. No. 01/60/162/419/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Regularisation of export made beyond EOP against Advance Authorisation No.0510400962 dated 27.12.2016.

The applicant stated that they had obtained the subject authorization with the initial EOP of 18 months and applied for 1st EOP and 2nd EOP from RA i.e. up to 26 months (25.02.2019), but 2nd EOP extension was not allowed due to non-fulfillment of 50% EO within 24 months. They have orders in hand which were supposed to be dispatched within EOP, but they could not dispatch as their customers had cancelled the orders. Their Customers told to dispatch the goods in the month of January-February, 2019 which have already been dispatched in the month of January-February, 2019. They had completed 100% EO within 26 months i.e. on 25.02.2019 (delay of 60 days).

__Decision__: The Committee examined the case in detail and noted that there is a merit in the case and therefore the Committee decided to allow EOP extension up to 25.02.2019 of Advance Authorization No.0510400962 dated 27.12.2016 only for regularization purpose subject to payment of composition fee @ 1% per month on the unfulfilled FOB value. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/CLA, Delhi)

Case No. 17 M/s. Luna Chemical Industries Pvt. Ltd., Mumbai
F. No. 01/60/162/663/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: 3rd Revalidation of Advance Authorization No.0310817432 dated 27.11.2017.

The applicant stated that Import Balance is pending due to import price being high. Hence, requested for 3rd revalidation for import balance entitlement as per authorization.

__Decision__: The Committee went through the submission made by the firm and observed no merit in their case and accordingly decided to reject it.

(Action: Applicant)

Case No. 18 M/s. Apar Industries Limited, Vadodara
F. No. 01/60/162/492/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To condone the late cut and waiver of landing certificate against 30 S/Bills which pertaining to the year 2015-16.

The applicant stated that they had exported to Kuwait & Brazil during 2015-16 but the overseas buyers defaulted in making payment to them. They approached to ECGC and were granted 90% of payment during the year 2017-18, 2018-19. They have approached RA, Mumbai for issuance of e-BRC which is under process. Now even if the e-BRC is issued by RA, Mumbai they may not get 100% MEIS entitlement because 100% late cut will be imposed since the application for MEIS will be made after span of 3 years from date of export. Further, stated that they are facing difficulties in arranging Landing Certificate for the shipment as the containers were not returned by the overseas party and several issues with the shipping lines of buyer. Therefore they also request to waive off the requirement of Landing Certificate for claiming MEIS in the specific case.

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** along with all documents in support of their justification.

(Action: Applicant/ PRC Section)

Case No. 19 M/s. Florence Shoe Company Pvt. Ltd., Chennai
F. No. 01/60/162/554/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Relaxation of short fall of 2.5% in Annual Average for regularization and closer of EPCG License No.0430015889 dated 17.06.2016.

The applicant stated that they had earlier represented before the EPCG Committee. The EPCG Committee vide its Meeting dated 17.07.2019 (Case No.26), has not considered the request. The shortfall of 2.5% was due to the adverse market condition and impact on the trade. With aggressive marketing and frequent visits, they were able to achieve an export income of Rs.216 Crores. Out of which one crore has been compensated towards export obligation, leaving Rs.215 Crores of Annual Average at the close of the year. But there is a shortfall of 5 crores in Indian Rupees on the required Annual Average of Rs.220 Crores. Thus, there is shortfall of 2.5% of the Annual Average. There is a considerable drop in the realization value, due to decline in the FOB value in comparison with the previous years. Export Annual Average in the year 2017-18 and 2018-19 has dipped, leaving a backlog, which they have to fulfill in the coming years. Hence, requested to grant relief in terms of 2.5% rebate on the Annual Average for the year 2016-17.

Decision: The Committee examined the records submitted and statement made by the firm. It observed that applicant's request had been discussed in detail by the EPCG Committee and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in its application. Hence, decided to reject the request of the firm.

(Action: Applicant)

Case No. 20 M/s. Mukta Art Limited, Mumbai
F. No. 01/60/162/570/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Relaxation in maintaining the Average Export Obligation imposed on the three EPCG Authorities No.0330000345 dated 02.06.2000, 0330004540 dated 22.10.2003 and 0330006644 dated 07.09.2004 by treating exports of film content by Tapes / CDs as Service exports and not Physical Exports.

The applicant stated that as a Service Provider there is no restriction in exporting goods manufactured by others as a merchant exporter. But in this case, they have exported the films produced by them and not manufactured the films and hence qualify produced by them and not manufactured the films and hence qualify for relaxation in maintaining the AEO, which is provided to a Service Provider. They, as a film producer can export and distribute the rights in 2 ways, Physical Form by way of Tapes / CDs or Online. It is imperative to note that the Arts and as such the product of the firm remains "Motion Picture and Video tape Production and distribution service" which merits classification under Audio Visual Services as per Appendix 10 of the FTP. Moreover, the value mentioned in the shipping bill / invoice is not the cost of the Tapes, but the actual content which is being exported. Therefore it implies that the payments which have been realized against such shipping bills are for the rights of the film and not for the Tapes. Their main and only line of business is producing film content as a truly Service Provider. Their request is to treat exports of their film content by tapes/CDs as service exports and grant relaxation in maintaining Average AA.

<u>**Decision**</u>: The Committee examined the records submitted and statement made by the firm. It observed that applicant's request had been discussed in detail by the EPCG Committee and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in its application. Hence, decided to reject the request of the firm.

(Action: Applicant)

Case No. 21 M/s. Asha Rubber Industries, Jalandhar
F. No. 01/60/162/690/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To accept the export of Shipping Bill No.9798448 dated 26.05.2015 against Advance Authorization No.3010103324 dated 02.01.2015 instead of 3010103459 dated 17.04.2015.

The applicant stated that they had made export against the above shipping bill for Automobile Tyres reinforced with Nylon Tyre Cord Warp Sheet (other than Bus and Truck Tyre) under SION A1677 for 720 pieces having 30600 kg by weight. But due to some system error the advance authorization number was wrongly endorsed as 3010103324 dated 02.01.2015 instead of 3010103459 dated 17.04.2015. They further clarify that while making the exports against Advance Authorization

No.3010103324 dated 02.01.2015 they had fulfilled EO through 18 shipping bills w.e.f. 06.01.2015 till 15.04.2015 (excluding the above shipping bill) and got EODC. Whereas exports against Advance Authorization No.3010103459 dated 17.04.2015 started w.e.f. 30.04.2015 till 25.08.2015 and fulfilled the required EO through 17 shipping bills (including the above shipping bill).

Decision: The Committee examined the case in detail and noted that there is merit in firm's contention and there appeared to be a genuine mistake, therefore the Committee decided to consider the export made vide Shipping Bill No.9798448 dated 26.05.2015 against Advance Authorization No.3010103459 dated 17.04.2015 instead of Advance Authorization No.3010103324 dated 02.01.2015 subject to following conditions:

i. RA shall ensure that above shipping bill has not been taken into account in any other advance authorization for discharge of export obligation.
ii. RA shall also ensure that export product of both the authorisations are same.
iii. Composition fee of Rs.200/- shall be imposed.
iv. Other provisions of FTP/HBP are complied with.

(Action: Applicant/RA, Ludhiana)

Case No. 22 M/s. Scraft Products Private Limited, New Delhi
F. No. 01/60/162/693/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Extension in EOP against 4 Advance Authorization No.(i) 0510403061 dated 07.06.2017, (ii) 0510403062 dated 07.06.2017, (iii) 0510403821 dated 28.08.2017 and (iv) 0510403822 dated 28.08.2017.

The applicant stated that they obtained the above 4 authorizations for import of Aluminum Foil in Reels and export of Aluminum Foil Cut to shape. They made import of the entire quantity as allowed in the license on commitment of major Business volumes from the buyer. But, unfortunately their buyer M/s. Zephyar International Trading FZE. did not make the payments within the time frame as agreed upon even for the initial shipment made by them citing some financial issues. Their account was declared NPA at that time. They therefore decided to not send any further shipment till the time they receive the payments of the goods already shipped. Due to the involvement in the financial mess at that time they also could not find a new buyer for the export product on their reasonable terms of payments. As the goods including the raw material was under Bank's Lien, they could not sell the goods. But now the financial situation has been settled and after much persuasion their old buyer has made payments for the old shipment and has also issued them a new order. They have also been able to get an order from a new buyer namely M/s. HSK Global Trading FZE. They still have the Raw Material imported against the license lying with them. They are in a position to manufacture and export the goods within a period of three months, but their Advance Authorizations have expired.

Decision: The Committee went through the statement made by the firm in its application and decided to allow EOP extension only for Advance Authorization

No.0510403062 dated 07.06.2017 for a period of 6 months from the date of endorsement subject to payment of composition fee @ 1% per month on unfulfilled FOB value. The request of EOP extension for other 3 Advance Authorizations was rejected as the same was found to be without any merit as no exports have been against these authorizations. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/CLA, Delhi)

Case No.23 M/s. Havells India Limited, New Delhi
F. No. 01/60/162/691/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Revalidation of SHIS License No.0510404786 dated 08.12.2017.

The applicant stated that they were utilizing the subject SHIS towards their project imports till 04.09.2019. Till this date the Project Import Module was dealt manually. With the roll out of Project Import Module in ICES vide Circular No.27/2019 – Customs dated 03.09.2019. To overcome the difficulties faced due to manual processing, Project Imports Module has been developed in ICES, but the Customs Software is not supporting the duty to be utilized against SHIS licences. They imported capital goods under Project Imports at PIPAVAV Port vide BE No.5747405 dated 19.11.2019 and filed for assessment of goods. However, the software is not allowing the payment against the said BE through the SHIS manually. The matter was referred to ICEGATE Portal on 22.11.2019 along with copies of BEs prior to 15.09.2019 (where the duty was paid through SHIS) and copies BEs after 15.09.2019 (where they opted duty payment through SHIS), but were not able to pay the duty. During visit to ICEGATE, they were told that due to error in software Customs System is not supporting duty payment through SHIS license and said that the matter is under consideration with the authorities and trying for an early resolution. The subject license is due to expire on 07.12.2019. They are unable to utilize it due to the reasons explained above.

Decision: The Committee examined the records submitted and statement made by the firm and decided to withdraw this case from PRC as their request is already under consideration in PC-3 Division.

(Action: Applicant/PC-3 Division)

Case No. 24 M/s. SNS Energy Pvt. Ltd., Vadodara
F. No. 01/60/162/694/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Extension of Export Obligation Period against Advance Authorization No.3410043681 dated 06.12.2017.

The applicant stated that their consignee had requested them to hold the shipment up till the end of December, 2019. During first week of January, 2020, they will inform them, as and when to on board the cargo. Under the circumstances though the cargo is ready to ship, they are unable to complete the EO before 5th December

2019. Moreover, the above cargo cannot be exported in part as it has to be exported as one unit, in one lot and as such they could not complete even 50% export obligation.

Decision: The Committee discussed the case at length and found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 25 M/s. Luna Chemical Industries Pvt. Ltd., New Delhi
F. No. 01/60/162/695/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: Request for 3rd Revalidation for Advance Authorization no. 0310817431 dated 29.11.2017

The applicant stated that Import Balance partly pending due to import price being high. Hence, requested for 3rd revalidation for import balance entitlement as per authorization.

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

(Action: Applicant)

Case No. 26 M/s. Neuland Laboratories Limited, Hyderabad
F. No. 01/60/162/364/AM20/PRC
PRC Meeting No. 25/AM20 dated 24.12.2019

Subject: To allow SHIS benefit on Pharma Exports for the years 2009-10, 2010-11 and 2011-12.

The applicant stated that they had applied for SHIS benefit for their exports effected during the year 2012-13 to RA, Hyderabad. However, it was rejected as their product was under Chapter 29 which was not eligible for SHIS benefit. Later, it was clarified by DGFT that Chapter 28 and 29 are also eligible for SHIS benefits. Further, it was stated that Pharmaceutical Products exported under Chapters 28 & 29, irrespective of the fact that whether it is basic chemicals or bulk drugs, are eligible for SHIS benefits. Their request is to grant of SHIS benefits for the exports made in 2009-10, 10-11 and 11-12

Decision: The Committee having examined the statement made by the firm and the relevant policy provisions observed that there is a merit in firm's contention. Accordingly the Committee acceded to the request for allowing SHIS benefit on the export of Pharma Products made during the Year 2009-10, 2010-11 and 2011-12 subject to the following conditions:-

(i) The SHIS Application for the exports made during the Year 2009-10, 2010-11 and 2011-12 had been filed in the RA within the stipulated time period and were rejected on the ground that they are not eligible for SHIS benefits.

(ii) The firm shall surrender EPCG benefit with full payment of duty along with interest.

(Action: Applicant/RA Hyderabad)

Case No. 27: Incomplete Cases

Following cases were discussed. The Committee observed that the applications which have been received without ANF 2D and Proof of Application Fee as per Appendix 2K (not paid/ paid partly) and also without Reasons/Justifications as per Column-15 of ANF 2D are to be treated as incomplete applications. Therefore, such cases are not taken up by the Committee as mentioned below:-

S. No.	Name of the firm	Subject of the firm	Remarks
1.	M/s. Shevaroys Textiles Pvt. Ltd., Salem, Tamil Nadu	Second Extension of EOP against 2 EPCG Authorization no. 3230010099 dated 26.06.2007 and 3230010344 dated 01.08.2007 and 3230010376 dated 06.08.2007 and waiver of 50% of duty saved value	Proof of application fee not submitted
2.	M/s. N. R. U. Spinning Mills Limited, Tamil Nadu	Second Extension of EOP of two EPCG Authorization no. 3230009208 dated 01.03.2007 and 3230009954 dated 07.06.2007 and waiver of 50% of duty saved value.	Proof of application fee not submitted
3.	M/s. Harit Exports Ltd., Mumbai	Shipping bills washed out due to server problem.	ANF 2D and proof of application fee not submitted
4.	M/s. Cheeka Rice Mills, Haryana	Extension of EOP in EPCG No. 3330001358 dated 23.07.2009.	ANF 2D not submitted
5.	M/s. Mahadev Rice & Gen. Mills, Haryana	Extension of EOP in EPCG No. 3330003340 dated 18.07.2014.	ANF 2D not submitted
6.	M/s. Rivaa Exports, Surat	Regularization of EOP for Advance License No.5210000722 dated 08.02.2001	ANF 2D and proof of application fee not submitted
7.	M/s. Rajsha Chemicals Pvt. Ltd., Vadodara	Grant of PRC case against AA No.3410041315 dated 23.06.2015.	ANF 2D and proof of application fee not submitted

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