Directorate General of Foreign Trade

(PRC-section)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade on 06.12.2017

Meeting No. 25/AM18 held on 06.12.2017 at 10:00 AM

The following members were present in the meeting:

1. Shri N. P. S. Monga Addl. DGFT
2. Shri K. C. Rout Addl. DGFT
3. Shri Jaikant Singh Addl. DGFT
4. Shri S. B. S. Reddy Addl. DGFT
5. Shri Jay Karan Singh Jt. DGFT
6. Shri Akash Taneja Jt. DGFT

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

Case No.1: M/s. D. D. International (P) Ltd., Punjab
F. No. 01/60/162/728/AM17/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for grant of condonation for delay in applying of transferability of license and transfer the license for a validity period of at least one month from the date of issuance of transferability under DFIA no. 1210008744 dt. 25.06.2013.

Aggrieved by the committee's decision dated 26.10.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 06.12.2017. Shri Pradeep Tayal, CA & Smt. Suman Bansal, CS on behalf of M/s D.D. International (P) Ltd, appeared before the committee and made the following submissions stating inter alia that:

a. They had applied for post export DFIA License vide no. 12/21/76/00008/AM14/ dated 21.06.2013. Further, they have been issued the same vide License No. 1210008744 dated 25.06.2013.
b. The export period for the above license was 18 months and period of shipment (Period of import) mentioned in the license was earlier than export period as follows:

License no.	Date	Export period	Period of Shipment
1210008744	25.06.2013	24.12.2014	30.06.2014

c. They had made export within specified period. But BRC's date of few of their shipping bill is 22.09.2015.
d. They applied for transferability of the license on 30.09.2015 (i.e. within one week of BRC). As before realization of BRC, they were not able to apply for the same.
e. Asstt. DGFT, Amritsar has rejected their application vide his letter dated 16.10.2015 by stating reason that license has been expired.
f. Hence, they requested for grant of condonation of delay in applying of transferability of license and to give instruction to RA, Amritsar to allow with a validity period of at least one month from the date of issuance of transferability.

Decision: The case was discussed again at length after giving patient hearing to the representatives. It was noted that DFIA under FTP, 2009-2014 was issued initially with actual user condition having 12 months validity to import and 18 months to fulfil stipulated export obligation. In case exporter willing to avail facility of replenishment with transferability then he has to export first against the EDI File Number and submit documents including proof of realising remittances. In such cases, RA issues transferable DFIA having 12 months validity to import the goods. The submissions made by the applicant are factually not correct. Since they had obtained DFIA with AU condition, import should have been made within the validity of the Authorisation or export documents should have been submitted to RA within validity of the Authorisation for getting transferability. Therefore, rejection letter issued by the RA was as per the provisions of the FTP.

Since, the applicant did not give any cogent reason of genuine hardship of not making imports within the validity period of DFIA, the committee did not accede to the request and reiterated its earlier decision. **(Action: Applicant)**

Case No.2: M/s. Thirumalai Chemicals Ltd., Chennai
F. No. 01/60/162/998/AM17/(PRC)
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for Second Revalidation of DFIA No.0410160189 dt. 24.02.2015.

Decision: Aggrieved by the committee's decision dated 06.07.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 06.12.2017. The date of personal hearing was communicated to them through e-mail. However, no one turned up for PH nor they requested for postponement of date. The committee, however, in the interest of natural justice decided to defer the case. The applicant may seek next date. **(Action: Applicant)**

Case No.3: M/s. UPL Ltd. Mumbai
F. No. 01/60/162/359/AM18/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for accounting of 23 S.Bills in license no. 0310767317 dt. 22.01.2014 from license no. 0310792619 dt. 06.01.2015 towards discharge of EO and redemption of the Authorisation.

The applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 06.12.2017. Shri Padmendra Singh Rawat, Vice President, Corporate Affairs and Shri Ajit Pitale Dy. General Manager from M/s UPL Ltd. Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. Against the said license they have imported 3,56,000 kgs of Dimethyl Carbonate and exported 17,86,200 Ltrs against quantity of 17,05,700 Ltrs i.e. exports made more than 100 % within initial EOP and all proceeds were realized. They had submitted all documents to RA, Mumbai.
2. However, due to reduction in norms of Dimethyl Carbonate from 0.248 kgs to 0.165 kgs in the Norms Committee meeting no. 05/83-ALCS1/2014 Dt. 04.06.2014, export obligation increased to 21,57,576 Ltrs, out of which they have already exported 17,86,200 ltrs and additional exports to be made is 3,71,376 Ltrs.
3. Hence, they requested to consider 23 s.bills i.e. s.b. nos. 7217698 dt. 14.01.2015-16500 Ltrs, 7388842 dt. 23.01.15 – 17000 Ltrs, 7405661 dt. 24.01.2015-16500 Ltrs, 7412840 dt. 24.01.2015-16500 Ltrs, 7451158 dt. 28.01.15-17000 Ltrs, - 7462738 dt. 28.01.15 – 16500 Ltrs, 7479767 dt.

29.01.315-16500 Ltrs, 7520799 dt. 30.01.2015-18000 Ltrs, 7518746 dt. 30.01.15-16000 Ltrs, 7536544 dt. 31.01.15-18000 Ltrs, 7535153 dt. 31.01.15-16500 Ltrs, 75981 dt. 03.02.15-16500 Ltrs, 7618288 dt. 04.02.15-16500 Ltrs. 7642803 dt. 05.02.15-16500 Ltrs, 8097789 dt. 28.02.15-18000 Ltrs, 16500 Ltrs, 7642803 dt. 05.02.15-16500 Ltrs, 8097789 dt. 28.02.15-18000 Ltrs, 8188485 dt. 04.03.15-18000 Ltrs, 8172431 dt. 04.0315-18000 Ltrs, 8259699 dt. 09.03.15-16500 Ltrs, 8286285 dt. 10.03.15-16500 Ltrs, 8351083 dt. 13.03.15-16500 Ltrs, 8399206 dt. 16.03.15-16500 Ltrs, 8417782 dt. 17.03.15-16000 Ltrs, 8470857 dt. 19.03.15 – 16500 Ltrs, in license No 0310767317 dt. 22.01.2014 from license No. 0310792619 dt. 06.01.2015 towards completion of EO for redemption purpose.

4. Exports under that s.bills were made within 18 months from date of issue of license No. 0310767317 dt. 22.01.2014 upto 04.03.2015. Proceeds against all these 23 s.bills have already been realized.

Decision: The case was discussed at length. It was noted that all 23 shipments were made within the obligation period of Authorisation dated 22.01.2014, the committee, therefore, decided the following:

I. Above mentioned 23 shipping bills shall be accounted against Authorisation No 0310767317 dt. 22.01.2014 towards discharge of EO.
II. This will, however, be allowed subject to payment of Rs. 200/-per shipping Bills to RA concerned;
III. An affidavit duly Notarised affirming therein that these shipping have not been/shall not be taken into account towards discharge of EO other that Authorisation No 0310767317 dt. 22.01.2014. If any loss incurred to the exchequer and noticed in future, they will reimburse the same with applicable interest without any protest;
IV. RA shall check and ensure that these shipping bills have not been accounted towards discharge of EO against Authorisation No 0310792619 dt. 06.01.2015.
(Action: Applicant/RA, Mumbai)

Case No.4: M/s. Hindalco Industries Limited. Mumbai
F. No. 01/60/162/360/AM18/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request to allow filing of MEIS Application manually and grant them MEIS Scrip against shipping Bill No. 1489196 dated 06.10.2016 wherein IE code number of Vedanta Ltd. is wrongly mentioned in place of IE code number of M/s Hindalco Industries Limited.

The applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 06.12.2017. Shri Sudhansu Sekhar Nayak, Sr. General Manager and Mr. Hemanto Basu from M/s Hindalco Industries Limited, Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. Their export consignment under Shipping Bill No.1489196 dated 6.10.2016 (against their Invoice No. AFG/2017/267 dated 5.10.2016) has inadvertently been recorded against Importer – Exporter Code No.178800234 of M./s Vedanta Limitd in place of 0388147237 of M/s Hindalco Industries Limited. This consignment was shipped out from Vizac Sea Port (Port Code INVTZI). It is a simple clerical error committed by CHA's employee at the time of preparation shipping bill as the same CHA handles export consignment of both the exports.

2. Owing to this reasons subject Shipping Bill was not appearing at Shipping Bill repository of DGFT Server for MEIS application against the right IE code 0388147237 of M/s Hindalco Industries Ltd.

and flashing the following message "No Record found matching Shipping Bill No.1489196 dated 6.10.2016 from date 28.8.2012 to 27.6.2017(Shipping date range).

3. In this context, they draw this office attention to the following points/documents:-

(i) From the office of the Principal Commissioner of Customs, Visakhapatnam a certificate has been issued in this respect and to enable Hindalco Industries Limited to claim DBK and MEIS benefit against subject Shipping Bill No.1489196 dated 6.10.2016. Copy of said certificate is attached.

(ii) Copy of said Shipping Bill on the face of which Customs Authority has manually certified that IE number of this Shipping Bill to be read as 0388147237 (of Hindalco Industries Ltd.) instead of 1788000234 (of Vedanta Limited) is attached.

(iii) eBRC against subject Shipping Bill has been uploaded by their concerned Bank as payment against Shipping Bill has already been realized from their overseas buyer. Copy of concerned e. BRC is attached.

4. Hence they requested to consider their case and allow them to submit MEIS application manually and grant them the requisite MEIS Authorization against captioned Shipping Bill.

Decision: Having heard to the petitioner, the case was discussed at length. It was noted that the Para 1.12 of HBP, 2015-2020, provides that in case of the Non EDI shipping bills or the shipping bills not received through the Message Exchange from Customs, concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of benefits. In this case also, though exports are made from EDI port but shipping bill is not transmitted in the account of the applicant due to wrong IEC mentioned in the said shipping bill. Taking into consideration the fact that the Customs Authority has corrected the mistake, the committee decided the following:

I. The applicant shall file manual application feeding required details of Shipping Bill.
II. RA shall verify the details and issue Duty Credit Scrip as per FTP.
III. EDI may transmit the scrip to ICEGATE using special flag
IV. The Scrip will be registered at the port after verification of shipping details by Customs.

(Action: Applicant/RA, Kolkata/Customs Authority)

Case No.5: M/s. Lupin Ltd., Mumbai
F. No. 01/60/162/757/AM18/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for waiver of PC 18 condition of advance authorization no. 0310771349 dt. 21.02.2014.

Decision: Aggrieved by the committee's decision dated 19.01.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 07.11.2017. The date of personal hearing was communicated to them through e-mail. However, no one turned up for PH nor they requested for postponement of date. The committee, however, in the interest of natural justice decided to defer the case. The applicant may seek next date.

(Action: Applicant)

Case No.6: M/s. Rochem Separation systems India Pvt. Ltd., Mumbai
F. No. 01/60/162/207/AM17/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for Redemption of Advance Authorization no. 0310709793 dt. 20.09.2012. (waiver of bill of export)

Aggrieved by the committee's decision dated 10.08.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 07.11.2017. Shri Tejash Shah, Director and Naresh Shah, representative from M/s. BDR Pharmaceuticals International Pvt. Ltd. appeared before the committee and made the following submissions stating inter alia that:

1. The above mentioned advance authorization was issued to them by the RA Mumbai.
2. They have fulfilled their export obligation by supplying the goods to units located in the SEZ, details of supply to the unit in the SEZ and fulfillment of E.O. is as follows

License No.	EO as per licence	Name of the Customer (unit located in the SEZ)	Details of the invoices raised	Invoice value – for fulfilling the export obligation
0310709793	100%	Glenmark Generics Ltd., Gujarat	Excise Invoice Nos.501050 dated 13.12.2012 & 501055 dated 3.1.2013	5250000.00

3. Subsequently, various correspondences were made with the DGFT, they have provided all the documents required for redemption of the above advance authorization except for the bill of the export in respect of supply made to the units in the SEZ.
4. As submitted above, since this was the first time that they had made the supplies to the units located in the SEZ out of the duty free imports undertaken against Advance Authorisation, they were not aware that Bill of export was required to be filed at the time of supplying the said goods to the SEZ.
5. They understand that the Bill of export cannot be filed after supply of goods to the SEZ and hence they cannot now procure the said Bill of Export. They understand that the purpose of the Bill of Export is to substantiate the supply of goods into the SEZ.
6. In lieu of the said bill of Export, they have already submitted the form ARE-1 duly certified by the Excise Deptt. of the receiving Unit and a certificate from jurisdictional excise authority towards proof of supply of goods to the Special Economic ZONE.
7. Hence, they requested to consider their case and issue instruction to RA for issuance of Redemption letter at the earliest.

Decision: The case was discussed again at length. It was noted that Advance Authorisation is issued to allow duty free import of inputs with certain conditions. One of the conditions is that the exporter shall submit export documents within 2 months from the expiry of export obligation. Application for redemption of Advance Authorisation is required to be submitted on ANF-4F. In the ANF-4F under Para (a) (ii) of guidelines for application (HBP, 2009-2014 Vol-I), it is mentioned categorically that exporter shall submit 'Bill of Export' along with other prescribed documents. And, in terms of Para 4.12 of FTP, exporter is required to indicate consumption of inputs in the export documents. Further, for getting incentive on supply of goods to SEZ, "Bill of Export" is a prescribed document under Rule 30 of SEZ, Rule, 2006. In view of these provisions, it becomes imperative that Export obligation against an Advance Authorisation cannot be discharged without establishing nexus of duty free imported inputs [or procured indigenously against advance authorization] and resultant product supplied to the SEZ Unit. Since ARE-1 does not have such information, the committee was of the view that requirement of 'Bill of

Export' cannot be dispensed with. Further, no valuation of ARE-1 is being carried out by the Customs/Excise Authority at receiving end; such supplies are considered free shipment meaning thereby that the exporter/supplier do not intend to take any benefit against the supply made. The Committee, therefore, decided to re-iterate its decision taken in Meeting dated 10.08.2016 and directed the applicant to get the case regularised as per the provisions in Para 4.49 of HBP, 2009-2014.

(Action: Applicant/ RA, Mumbai: in case the applicant fails to get the case regularised within a month from the date of uploading of this decision on the Directorate website, the RA shall initiate action as per the provisions of F.T. (DR) Act, 1992, as amended)

Case No.7: M/s. Rochem Separation systems India Pvt. Ltd., Mumbai
F. No. 01/60/162/208/AM17/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for Redemption of Advance Authorization no. 0310601578 dt. 16.11.32010. (waiver of bill of export)

The applicant made the similar submission as per case No 6 above.

Decision: Decision at case No 6 above is reiterated.

Case No.8: M/s. Rochem Separation systems India Pvt. Ltd., Mumbai
F. No. 01/60/162/206/AM17/PRC
PRC Meeting No. 25/AM18 dated 06.12.2017

Subject: Request for Redemption of Advance Authorization no. 0310600057 dt. 03.11.2010 (waiver of bill of export)

The applicant made the following similar submission:

1. The above mentioned advance authorization was issued to them by the RA Mumbai.
2. They have fulfilled their export obligation by supplying the goods to units located in the SEZ, details of supply to the unit in the SEZ and fulfillment of E.O. is as follows:

License No.	EO as per licence	Name of the Customer (unit located in the SEZ)	Details of the invoices raised	Invoice value – for fulfilling the export obligation
0310709793	100%	Glenmark Generics Ltd., Gujarat	Excise Invoice Nos.501050 dated 13.12.2012 & 501055 dated 3.1.2013	5250000.00

3. Subsequently, various correspondences were made with the DGFT, they have provided all the documents required for redemption of the above advance authorization except for the bill of the export in respect of supply made to the units in the SEZ.
4. As submitted above, since this was the first time that they had made the supplies to the units located in the SEZ out of the duty free imports undertaken against Advance Authorisation, they were not aware that Bill of export was required to be filed at the time of supplying the said goods to the SEZ.
5. They understand that the Bill of export cannot be filed after supply of goods to the SEZ and hence they cannot now procure the said Bill of Export. They understand that the purpose of the Bill of Export is to substantiate the supply of goods into the SEZ.

6. In lieu of the said bill of Export, they have already submitted the form ARE-1 duly certified by the Excise Deptt. of the receiving Unit and a certificate from jurisdictional excise authority towards proof of supply of goods to the Special Economic ZONE.
7. Hence, they requested to consider their case and issue instruction to RA for issuance of Redemption letter at the earliest.

Decision: Decision at case No 6 is reiterated.

Case No.9: M/s. Rochem Separation systems India Pvt. Ltd., Mumbai
F. No. 01/60/162/1257/AM17/PRC
PRC Meeting No. 25/AM1 dated 06.12.2017

Subject: Request for Redemption of Advance Authorization no. 0310525500 dt. 23.06.2009. (waiver of bill of export)

The applicant made the following similar submission:

1. The above mentioned advance authorization was issued to them by the RA Mumbai.
2. They have fulfilled their export obligation by supplying the goods to units located in the SEZ, details of supply to the unit in the SEZ and fulfillment of E.O. is as follows:

License No.	EO as per licence	Name of the Customer (unit located in the SEZ)	Details of the invoices raised	Invoice value – for fulfilling the export obligation
0310709793	100%	Glenmark Generics Ltd., Gujarat	Excise Invoice Nos.501050 dated 13.12.2012 & 501055 dated 3.1.2013	5250000.00

3. Subsequently, various correspondences were made with the DGFT, they have provided all the documents required for redemption of the above advance authorization except for the bill of the export in respect of supply made to the units in the SEZ.
4. As submitted above, since this was the first time that they had made the supplies to the units located in the SEZ out of the duty free imports undertaken against Advance Authorisation, they were not aware that Bill of export was required to be filed at the time of supplying the said goods to the SEZ.
5. They understand that the Bill of export cannot be filed after supply of goods to the SEZ and hence they cannot now procure the said Bill of Export. They understand that the purpose of the Bill of Export is to substantiate the supply of goods into the SEZ.
6. In lieu of the said bill of Export, they have already submitted the form ARE-1 duly certified by the Excise Deptt. of the receiving Unit and a certificate from jurisdictional excise authority towards proof of supply of goods to the Special Economic ZONE.
7. Hence, they requested to consider their case and issue instruction to RA for issuance of Redemption letter at the earliest.

Decision: Decision at case No 6 is reiterated.

(Action: Applicant/RA, Mumbai)

Case No.10: M/s. E-Shakti.com Pvt. Ltd., Chennai
F. No. 01/60/162/05/AM17/PRC
PRC Meeting No. 25/AM1 dated 06.12.2017

Subject: Request for waiver of procedural requirement of not mentioning File No/Advance Authorisation No on shipping Bills while effecting export towards discharge of export obligation against Advance Authorisation No 0410129565 dated 21.10.2011 & No 0510389931 dated 23.07.2014.

Aggrieved by the committee's decision dated 08.11.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 31.08.2017. Mr. B. G. Krishnan, Director of the company appeared before the committee and made the following submissions stating inter alia that:

1. They have submitted earlier only a certain procedural aspect of their case which has been considered and other merits of their case have not been considered, namely:
   i. They were essentially an export oriented operations, with about 99.86% of the sales revenue being from exports.
   ii. All their exports have been registered with Customs as they were done by air cargo mode and are available in our EDPMS records.
   iii. They have met their export obligation several times over and well ahead of time stipulated in the Advance Authorization.
   iv. It was not in their control to mention the advance authorization number on their S/Bills, as their 500-1000 daily consignments containing one or two customized garments for individual retail customers, would vary from each other and customs department does not have the wherewithal to open all boxes, verify it for the consumption of respective duty-free imported materials, they could not ship under advance authorization S/Bill but were obliged to ship under Free Shipping Bill.
   v. They were given the AA, but the arrangement for recording the AA number in the S/Bill, is not available and possible in case of retail exports like them.
2. They like to present further the following:

   a) Data that conclusively shows that what was imported was exported.
   b) They exported several times over the export obligation.
   c) They have no control if Customs deem it impossible to verify at the export point and therefore to allow them to affix their AA number on the shipping document.
   d) They have not been told by the DGFT at the time of the issue of the AA that B2C exports cannot be done via the route of the AA.
   e) They have exported worth Rs.300 crores in the last 5 years and have not taken a single rupee worth of export benefit right up until four months ago.
   f) The policy of India is not to export taxes. Therefore, to not give them the benefit of tax-free imports is inconsistent with that policy and they are confident that the empowered body is one for Policy review, and not just conformity to rules, and will see their point.
   g) The Supreme Court has held time and time again that exporters should not be denied benefits for technical breach of procedure when they have met the substantive export obligations. This is entirely true in their case.

3. They have stated that the PRC has considered only a certain procedural aspect of the matter referred to in their application and had given their opinion on same. They have only considered the matter of Free Shipping Bills vis-à-vis Advance Authorization Shipping Bill. They have not considered the totality of the representation that they had made which clearly established the bonafide of the exports made by them to discharge the Advance Authorization obligations in the time specified.
4. However, in the case of Customized Fashion Garments through the e-Commerce mode – a specific B2C sector which the Government seeks to promote in its FTP 2015-2020, the infrastructure for verification and review by Customs authorities is not available in the Indian Customs as every garment is unique and made to customer (a definition that the FTP 2015-2020 itself provides for). In other words, there is lacuna in the rules and the rules making

them inconsistent, the policy of the Government with respect to make-in-India, export promotion, and building international brands of India origin.

5. This lacuna in the procedure available is the only reason they could not file the AA Shipping Bills as the current system administered by Customs does not provide for it. Instead the documents they have filed are characterized as Free Shipping Bills. This cannot be a default in the hands of the exporter.
6. This matter has enormous implications not only for them, but for all e-commerce B2C exporters especially in the textile sector which the Government seeks to promote as a matter of policy in line with the Prime Minister's Make-in-India initiative.
7. It is an established norm that taxes and duties cannot be exported. The Govt. of India has announced as part of it FTP various schemes from time to time and the DGFT administers such policies. Advance Authorization is one of the schemes which is available to all exporters, it is indeed available to B2C exporters as well and DGFT had issued the same to them.
8. They have furnished complete documentation to establish that the fabrics imported were used for exports and they have met their export obligations. Indeed, all the documents are part of the records of EDPMS and are available to Customs, DGFT and the Finance Ministry.
9. Hence, they need to procedures for obtaining and discharging Advance Authorization to be rendered usable by them so that they can comply with them completely and easily.

The committee explained the provisions of the policy and procedure to the applicant and reason of seeking EP copy of Shipping Bill having details of Advance Authorisation and consumption of inputs on it. Taking into consideration the genuine hardship of not mentioning details of Authorisation on shipping bills, the committee, was willing to waive the requirement but at the same time it was wanted to ensure that duty free materials imported under Advance Authorisation were not used for any other purpose and diverted in the local market. The committee, therefore, asked Mr. B. G. Krishnan to submit the following documents:

i. Annual return file to IT department during assessment years 2011-12, 2012-13, 2013-14 and 2014-2015.
ii. Audited balance sheet for the years 2011-12, 2012-13, 2013-14 and 2014-2015.
iii. A certificate from independent Chartered accountant certifying import and export data (quantity and value) for 2011-12, 2012-13, 2013-14 and 2014-2015 and consumption of whole imported inputs in the exported products.
iv. An affidavit duly notarised affirming therein that no domestic sale of even single article was made by the company during 2009-2013. In case any revenue loss to the exchequer is noticed in future, they will pay immediately whole of duty plus applicable interest to the Customs Authority without any protest and will be liable for penal action under the provisions of FT(DR)Act, 1992, as amended.

On receipt of the documents, PRC will examine this case again and the same will be decided thereafter on merit.

Accordingly, the applicant has submitted the following documents:

- Certificate from an independent Chartered Accountant Pertaining to import and export for the year 2011-12, 2012-13, 2013-14 and 2014-15.
- Notarized affidavit as required
- Audit balance sheet for the years 2011-12, 2012-13, 2013-14 and 2014-15.
- Annual returns file to IT department for the years 2011-12, 2012-13, 2013-14 and 2014-15.

- The firm, on notary, submitted the data of consumption in domestic market during F.Y 2011-12 to 2014-15 in tabulated form which is as under:

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Imported item consumed for domestic revenue	NIL	NIL	NIL	NIL
Domestic revenue	1,54,093	1,71,209	92,271	1,35,372
Domestic revenues as a % of total Revenue	0.25%	0.09%	0.03%	0.02%

- The applicant has submitted that about 99.9% of the sales revenue came from exports only.
- All their exports have been registered with Customs as they were done by air cargo mode and are available in our EDPMS records.
- They were given the AA, but the arrangement for recording the AA number in the S/Bill, is not available and possible in case of retail exports like them.
- **They have exported worth Rs.300 crores in the last 5 years and have not taken a single rupee worth of export benefit right up until four months ago.**

Decision: In view of the documents and submissions made by the applicant, the case was again discussed at length. It was noted that this is a peculiar case in which 500-1000 consignments containing one or two customized garments for individual retail customers were exported against order booked through e-commerce. It may be difficult to check each and every piece by Customs Authority and without opening of consignment, consumption of duty free inputs cannot be assessed unless it is supported by test report from independent test laboratory. Further, unpacking and repacking at port was just not possible. The applicant has exported under free shipping bills, as the Customs Authority did not allow mentioning of Authorisation details on shipping bills without checking and verifying the goods physically. It is a matter of facts that the system is not in place to allow duty free imports where verification of consumption of duty free inputs by government agencies is not feasible. The committee was, however, of the views that in the emerging era of e-commerce, system needs to be redesigned to cover such types of transactions.

However, in this Advance Authorisations were issued without ascertaining the requirement of EODC. On the basis of documents i.e. ITR, Audited balance sheet and independent CA certificate, it is established that duty free raw materials imported by the applicant has been used for export purpose only, as domestic sale is negligible as compared to export figure. Therefore, taking into consideration the genuine hardship of not indicating Authorisation details on shipping bills, the committee decided the following:

i. Export obligation shall be discharged against above mentioned two Advance Authorisations on the basis of Income Tax Return, Audited balance Sheet and CA certificate in addition to other documents, as prescribed in ANF-4F.
ii. Inputs shall be allowed as per SION for the resultant products exported.
iii. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.
iv. This facility is allowed only for regularization of these two Authorisations. No further Advance Authorisation shall be issued.

(Action: Applicant/RA, Chennai)

Case No 11

Following cases were discussed at length. It was noted that vide PN 38 dated 28.11.2017, RAs have been empowered to allow revalidation of Authorisation/Scrip for equal period for which it was in the custody of government agencies and due to that reason it could not be utilised. The committee, therefore, decided to remand these cases to RA concerned as mentioned below:

Sl No	Name of the Applicant	File no.	date of receiving	Request in for	Authorization No.	Name of RA
1.	M/s. Scantrans India Pvt. Ltd., Chennai	26/AM18	11.04.2017	Revalidation of DFIA	0410160135 dt. 11.02.2015	Chennai
2.	M/s. Stylerite Optical Industires	247/AM18	17.05.2017	Revalidation of Advance Authorization	0310793354 dt. 28.01.2015	Mumbai
3.	M/s. Laxmichand Dayabhai (Export) Co. Pvt. Ltd., Mumbai	222/AM18	13.06.2017	Revalidation of VKUY	0310618422 dt. 28.01.2011	Mumbai
4.	M/s. V. A. Global Business Mumbai	228/AM18	19.07.2017	Revalidation of Advance Authorization	0310681423 dt. 10.02.2012	Mumbai
5.	M/S Rishab Apparel Pvt. Ltd.	386/AM18	31.07.2017	Revalidation of Advance Authorization	0310801384 dt.29.12.15	Mumbai
6.	M/s. Prama Export Mumbai	270/AM18	17.07.2017	Request for Revalidation of DFIA	0310794655 dt. 18.03.2015	Mumbai
7.	M/s La Opala Limited	395/AM18	04.08.2017	Revalidation of FPS authorisation	0219013036 dt.01.07.15	Kolkata
8.	M/s. Spark Electrodedes Pvt. Ltd	433/AM18	18.08.2017	Revalidation of Advance Authorization	0510397760 dt. 01.03.2016	CLA
9.	M/s. Finolex Cables Ltd. Pune	406/AM18	10.08.2017	Revalidation of Advance Authorization no.	3110065886 dt. 25.01.2016	Pune
10.	M/s R S Paper Noida	340/AM18 & 558/AM18	08.08.2017	Revalidation of DFIA Authorization	0510393298 dt. 19.02.2015 & 0510392437 dt. 12.12.2014	CLA
11.	M/s. Mahindra & Mahindra Ltd	524/AM18	09.08.2017	Revalidation of FMS License	0319065426 dt. 04.04.2016	Mumbai
12.	M/s. Uttam Galva Steel Ltd	486/AM18	05.09.2017	Reqeust for Revalidation of Advance Authorization	0310801179 dt. 17.12.2015 & 0310801178 dt. 17.12.2015	Mumbai
13.	M/S New Holland Fiat (India) Ltd.	518/AM18	22.09.2017	Revalidation of two FMS Scrip license	0510256862 dt.22.01.10 and 0510255345dt.31.12.2009	CLA, New Delhi
14.	M/s. GDJD Exports	520/AM18	28.09.2017	Revalidation of MEIS	0000049000 dt. 22.06.2017 (8 Shipping bills)	Chennai
15.	M/s. Meghmani Organics Ltd., Gujarat	567/AM18	17.10.2017	Request for Revalidation of FPS authorization	0819000997 dt. 28.07.2014	Gujarat
16.	M/s. South India cashew Corporation, Panaji	570/AM18	01.11.2017	Request for Revalidation of VKGUY	1719000194 dt. 22.12.2014	Panaji
17.	M/s. South India cashew Corporation, Panaji	571/AM18	01.11.2017	Request for Revalidation of VKGUY	171000122 dt. 20.10.2014	Panaji

18.	M/s. PCL Oil & Solvents Ltd., New Delhi	575/AM18	01.11.2017	Request for Revalidation of Advance License	0510397740 dt. 26.02.2016	CLA
19.	M/s. PCL Oil & Solvents Ltd., New Delhi	576/AM18	01.11.2017	Request for Revalidation of Advance License	0510397469 dt. 02.02.2016	CLA
20.	M/s. PCL Oil & Solvents Ltd., New Delhi	577/AM18	01.11.2017	Request for Revalidation of Advance License	0510397496 dt. 03.02.2016	CLA
21.	M/s Ravi Foods Pvt. Ltd., Hyderabad	56/AM17	24.02.2016	Revalidation of DFIA	0910057477 dt 3.9.2013	Hyderabad
22.	M/s Ravi Foods Pvt. Ltd., Hyderabad	59/AM17	24.02.2016	Revalidation of DFIA	0910057492 dt 4.9.2013	Hyderabad
23.	M/s Greenply Industries Ltd., New Delhi	273/AM17	11.04.2016	Second Revalidation	0510379239 dt. 12.02.2014, 0510382380 dt. 21.03.2014, 0510383898 dt. 09.04.2014, 0510383899 dt. 09.04.2014, 0510379242 dt. 12.02.2014, 0510383895 dt. 09.04.2014	CLA
24.	M/s Ceat Ltd., Mumbai	235/AM17	27.04.2016	Revalidation of Advance Authorization	0310778292 dt 15.4.2014	Mumbai
25.	M/s Aarti Drugs Ltd., Mumbai	268/AM17	27.04.2016	Second Revalidation of Advance Authorization	0310788774 dt 05.09.2014	Mumbai
26.	M/s Cosmo Films aLtd., Maharashtra	331/AM17	18.05.2016	Revalidation of Advance Authorization	0310764452 dated 3.1.2014	Mumbai
27.	M/s Usha Diaries New delhi	369/AM17	31.05.2016	Revalidation of DFIA	0510389478 dated 8.7.2014	CLA
28.	M/s Karkariya Textiles Industries Pvt. Ltd.,	407/AM17	13.06.2016	Revalidation of DFIA	0810126863 dt 14.12.2013	Ahmedabad
29.	M/s Hi tech Blow Moulders Private Ltd., Bangalore	400/AM17	28.08.2016	Revalidation of DFIA	0710094101 dated 7.3.2013	Bangalore
30.	M/s Fashion Accories Gurgaon	212/AM17	02.08.2016	Revalidation of SHIS	0510394300 dated 19.5.2015	CLA
31.	M/s Vedanta Ltd., New Delhi	696/AM17	06.09.2016	EODC revalidation & Transferability of DFIA's	0510391811 dt 29.10.2014	CLA
32.	M/s Vedanta Ltd., New Delhi	647/AM17	14.12.2016	EODC revalidation & Transferability of DFIA's	0510391522 dt. 09.10.2014 and 0510391948 dt. 12.11.2014	CLA
33.	M/s Honda Motorcycle & Scooter India Pvt. Ltd.,	689/AM17	06.09.2016	Revalidation of DEPB	0510392890 dt 19.1.2015	CLA
34.	M/S Vadanta Ltd.	708/AM17	06.09.2016	EODC, Revalidation &Transferability of DFIA	0510390629 dt.21.08.14	CLA
35.	M/s Apex Exports Kolkata	385/AM17	16.10.2016	Revalidation of DFIA	0210094428 dt. 16.10.2006	Kolkata
36.	M/s R R Kabel Ltd., Mumbai	870/AM17	23.11.2016	Revalidation of Advance Authorization	0310794640 dt. 17.03.2015	Mumbai

37.	M/s D D lonternational, Amritsar	838/AM17	10.11.2016	revalidation of DFIA	1210009217 dt. 21.02.2014	Amritsar
38.	M/s Jindal Swa Ltd., New Delhi	837/AM17	09.11.2016	Revalidation of Advance Authorization	0510393588 dt. 16.03.2015	CLA
39.	M/s. Scantrans India Pvt. Ltd.	900/Am17	24.11.2016	Request for Revalidation of DFIA	0410159610 dt. 17.10.2014	Chennai
40.	M/s. Fair Export (India) Pvt. Ltd.,	988/AM17	20.12.2016	Revalidation of DEPB	0510381248 dt. 07.03.2014	CLA
41.	M/s GSP Crop Sciences Pvt. Ltd., Ahmedabad	1132/AM17	17.01.2017	Revalidation of Advance Authorization	0810135525 dt. 22.06.2015	Coimbatore
42.	M/s Honda Motorcycle & Scooter India Pvt. Ltd.,	1117/AM17	31.07.2017	Revalidation of DEPB Authorization	0510390231 dt. 08.08.2014	CLA
43.	Bhumiraj Export Mumbai	1289/AM17	22.02.2017	Revalidation of DFIA	0310789796 dt. 29.09.2014	Mumbai
44.	Bhumiraj Export Mumbai	1288/AM17	22.02.2017	Revalidation of DFIA	0310789596 dt. 24.09.2014	Mumbai
45.	M/s National Steel &Agro Industries Ltd.	1255/AM17	01.03.2017	Revalidation of Status Holder Incentive Scrip	5610001113 dt. 20.09.2014 and 5610001074 dt. 26.09.2012.	Indore
46.	M/s Hindalco Industries Limited	1270/AM17	09.03.2017	Revalidation of FMS Authorization	1310031357 dt. 09.02.2010	Jaipur
47.	M/s Hindalco Industries Limited	1271/AM17	09.03.2017	Revalidation of VKUY Authorization	1310029577 dt. 29.07.2009	Jaipur
48.	M/s Hindalco Industries Limited	1273/AM17	09.03.2017	Revalidation of VKUY Authorization	02100140396 dt 31.03.2010	Kolkata
49.	M/s Hindalco Industries Limited	1272/AM17	09.03.2017	Revalidation of VKUY Authorization	0410112525 dt 22.3.2010	Chennai
50.	M/s Hindalco Industries Limited	1276/AM17	09.03.2017	Revalidation of VKUY Authorization	0910038866 dt. 07.08.2009	Hyderabad
51.	M/s Hindalco Industries Limited	1275/AM17	09.03.2017	Revalidation of VKUY Authorization	0210140301 dt. 30.03.2010	Kolkata
52.	M/s Hindalco Industries Limited	1269/AM17	09.03.2017	Revalidation of VKUY Authorization	2910010281 dt. 14.10.2009	Moradabad
53.	M/s Hindalco Industries Limited	1274/AM17	09.03.2017	Revalidation of VKUY Authorization	0410112121 dt. 05.03.2010	Chennai
54.	M/s SMI Coated Product Private Ltd., Mumbai	1043/AM17	24.07.2017	Revalidation of Advance Authorization	0310792321 dt. 23.12.2014	Mumbai
55.	M/s SMI Coated Product Private Ltd., Mumbai	1042/AM17	30.05.2017	Revalidation of Advance Authorization	0310786746 dt. 14.07.2014	Mumbai
56.	M/s RMG Polyvinyl India Ltd., New Delhi	78/AM17	09.08.2017	Revalidation Advance Authorization	0510293595 dt. 16.06.2011	CLA
57.	M/s Siria Impex (P) Ltd., New Delhi Siria	239/AM16	24.08.2017	Revalidation of Advance Authorization	0510351414 DT 11.4.2013	CLA
58.	M/s Indian & Overseas , Kanpur	115/AM17	11.07.2017	Revalidation Advance Authorization	0610010574 dt. 12.04.2006	Kanpur
59.	M/s. Daman Polythread Ltd., Daman	160/AM18	28.07.2017	Revalidation of Advance Authorization	0310798697 dt. 07.09.2015.	Mumbai

60.	M/s. Anvil Cable Pvt. Ltd., Kolkata	261/AM18	03.10.2017	Revalidation of Advance Authorization	0210206050 dt. 06.08.2015	Kolkata
61.	M/s. Aym Syntex Ltd., Dadar Nagar Haveli	434/AM18	06.09.2017	Revalidation of Advance Authorization	0310800537 dt. 01.12.2015	Mumbai
6	M/s. Tata international Ltd., indore	357/AM18	14.09.2017	Revalidation of 18 MEIS Authorization	5619002490 dt. 15.09.2015, 5619002495 dt. 15.09.2015, 5619002494 dt. 15.09.2015, 5619002489 dt. 15.09.2015, 5619002485 dt. 10.09.2015, 5619002493 dt. 15.09.2015, 5619002512 dt.16.09.2015, 5619002521 dt. 21.09.2015, 5619002585 dt. 08.10.2015, 5619002579 dt. 06.10.2015, 5619002595 dt. 09.10.2015, 5619002604 dt. 14.10.2015, 5619002612 dt. 16.10.2015, 5619002644 dt. 02.11.2015, 5619002652 dt. 04.11.2015, 5619002681 dt. 18.11.2015, 5619002712 dt. 24.11.2015, 5619002737 dt. 04.12.2015	Indore

The meeting ended with a vote of thanks to the Chair.

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