Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 08.01.2019 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No.27/AM19 held on 08.01.2019 at 10:30 AM

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 N.K. Srivastava — Addl. DGFT
6. Shri Anil Aggarwal — Addl. DGFT
7. Shri Rajbir Sharma — Jt. DGFT
8. Shri Kirti Vardhan — Jt. DGFT

Following cases were discussed in the meeting.

S. No	Name of the firm	Case No.
1.	M/s S.R. Marine Food Pvt. Ltd., Chennai	01
2.	M/s SAS International, New Delhi	02 & 03
3.	M/s Tega Industries (SEZ) limited Dahej Gujarat	04
4.	M/s H.D. Wires	05
5.	M.s West India Continental Oils and Fats Pvt. Ltd., Mumbai	06
6.	M/s Emami Limited Kolkata	07
7.	M/s Everest Kanto Cylinder Limited Mumbai	08
8.	M/s Venus Denim, Ahmedabad	09
9.	M/s G.I.C. Insuflex Conductors Private Limited	10,11&12
10.	M/s Mangnum Lubricats (India) Pvt. Limited Mumbai	13
11.	M/s Thirumalai Chemical Limited Mumbai	14,15&16
12.	M/s Shree Jagannath Sterling Production Pvt. Ltd., New Delhi	17
13.	M/s eAge Electronics Pvt. Ltd., Gurgaon	18
14.	M/s Prime Lenses Pvt. Ltd.,	19
15.	M/s Alpha Compressor Valves Pvt. Ltd., Pune	20
16.	M/s Volks Wagen India Pvt.Ltd.	21

The decision taken on the individual cases are as under:-

PH Case No.01: M/s S.R. Marine Foods Pvt. Ltd., Chennai
F. No. 01/60/162/648/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: To regularize the MEIS for chilled prawns under HS code 03061790 and 03063600 respectively.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.02 to 03: M/s SAS International, New Delhi
F. No. 01/60/162/63/AM18/PRC and 01/60/162/64/AM18/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Relaxation of time period for claiming benefit of duty incentive scrip under Chapter-3 of FTP.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Raindra Kumar, CEO of the firm appeared before the Committee and made the following submissions:

Their claim for duty scrips under Focus Product Scheme (FPS) or Market Linked Focus Product Scheme (MLFPS) depends upon the nature of export product and its appropriate classification under the Tariff Codes of the first schedule to the CTA. The principle issue which led to delay in applying for the duty incentives scrips under FPS/MLFPS was the confusion around the appropriate classification of the exported garments under the appropriate tariff codes.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and observed that firm has neither been able to give any cogent explanation for mismatch of their ITC HS Codes and description of export items nor submitted any certificate from custom authorities in support of any amendment in shipping bills regarding description of export item and ITCHS Code and hence decided to reject the request of the firm.

PH Case No.04: M/s Tega Industries (SEZ) Limited Dahej, Gujarat
F. No. 01/60/162/628/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: To allow MEIS benefit against two file No.31/21/090/80284/AM17 and 37/21/090/80373/AM17.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.05: M/s H.D. Wires Pvt. Ltd., Indore
F. No. 01/60/162/17 to 19/AM19/PRC
PRC Meeting No.27/AM19 dated 08.01.2019

Subject: Revalidation of 3 Advance Authorizations No. (i) 5610004883 dated 31.03.2016 (ii) 5610004884 dated 18.04.2016 and (iii) 5610004924 dated 09.06.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Dilip Dev, Chairman of the firm appeared before the Committee and made the following submissions:

The firm is exporting to Indian companies against invalidation letter and also exporting directly. In the above licenses they have made export using the domestic raw material and manufactured the export goods, but they could not import the raw material in time i.e. within the validity of license because of hike in prices in the international market and also they were facing financial crunch. Due to this they could not import the raw material in time. Further at the time of export they had considered the export incentive against above licenses and MEIS.

Decision: The Committee heard the submission made by the representative of the firm and after discussing the matter at length decided to accede to the request of the firm and allowed revalidation of only two advance authorization No.5610004883 dated 31.03.2016 and 5610004884 dated 18.04.2016 for six months from the date of endorsement for making imports proportionate to export obligation already fulfilled with the condition that the firm shall approach RA within 30 days from the date of uploading of the minutes of meeting. AA no. 5610004924 was not considered for revalidation, as no exports have been made against that authorization.

(Action: Applicant/RA)

PH Case No.06: M/s West India Continental Oils and Fats Pvt. Ltd., Mumbai
F. No. 01/60/162/31/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Revalidation of 3 DFIA Nos. (i) 301013908 dated 23.12.2016 (ii) 3010103907 dated 23.12.2016 and (iii) 3010103902 dated 16.12.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Parth Upadhyay, representative of the firm appeared before the Committee on behalf of the firm and made the following submissions:

Due to ambiguity because of clear policy condition put on the DFIA making it valid till the last day of the expiry month, & delays in getting precise interpretation from the custom & DGFT, they were not able to utilize the license within its validity period & hence, need to Revalidate above DFIAs to Import.

Decision: The Committee heard the submission made by the representative of the firm and noted that the DFIAs carry the condition that these are valid till the last day of the expiry month and firm has actually suffered for reasons which were beyond their control and hence decided to grant revalidation of three DFIA No. (i) 301013908 dated 23.12.2016 (ii) 3010103907 dated 23.12.2016 and (iii) 3010103902 dated 16.12.2016 for a further period of three 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.07: M/s Emami Limited, Kolkata
F. No. 01/60/162/821(a)/AM16/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Revalidation of 2 DEPB License No.(i) 0210193611 dated 30.08.2013 and (ii) 0210193614 dated 30.08.2012.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Rownak Jajodia, Manager-Legal of the firm appeared before the Committee on behalf of the firm and made the following submissions:

The firm could not utilize the DEPB Scrip No. 0210193611 because the Shipping Bills were not updated at Mumbai Customs stating Error Code no. 93 & 02. Thereafter, they have made all efforts possible for removal of the error code from various Departments i.e. Custom, RA, Kolkata and ICEGATE but to no avail. They had requested the RA, Kolkata to delete the shipping bills which were inadvertently mentioned twice. Furthermore, the RA, Kolkata informed that the Shipping Bill No. 4401188 dated 04.07.2011 and 4866791 dated 04.08.2011, were mentioned twice due to error in system against 2 (two) Authorization.

In respect to DEPB Scrip No. 0210193614, the error codes no. 93 and 02 were reflected. After several efforts by them, shipping bill No. 2879154 against which the DFIA had already been utilized was accordingly removed. Even thereafter, error code 02 was still reflecting.

Decision: The Committee heard the case in detail and noted that the circumstances stated by the firm above were beyond their control and therefore decided to allow revalidation of two DEPB License No.(i) 0210193611 dated 30.08.2013 and (ii) 0210193614 dated 30.08.2012 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.08: M/s Everest Kanto Cylinder Limited, Mumbai
F. No. 01/60/162/479/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Second EO Extension of Advance Authorization No.0310803839 dated 07.04.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Omesh Salunke, Assistant General Manager

– Materials and Shri Santosh Mahabdi, Representative of the firm appeared before the Committee and made the following submissions:

Due to machinery up gradation and commissioning the plant, export production schedule has been delayed and they could not fulfill export obligation within EOP/ Extended EOP.

Decision: The Committee heard the submission made by the representative of the firm and after discussing the matter at length it observed that there is no merit in firm's contention. Therefore, the committee decided not to accede to their request for EOP extension.

(Action: Applicant/RA)

PH Case No.09: M/s Venus Denim, Ahmedabad
F. No. 01/60/162/552/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Extension in EOP of 3 Advance Authorizations No.(i) 0810138234 dated 04.07.2016, (ii) 0810138627 dated 08.09.2016 and (iii) 0810139003 dated 03.01.2016.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.10: M/s G.I.C. Insuflex Conductors Private Limited, Thane
F. No. 01/60/162/168/AM17/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Extension in EO period without composition fee for regularization purpose against Advance Authorization No.03107738979 dated 25.06.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Yagnesh Trivedi, CFO & Operation Head and Shri Milan Gupta, Representative of the firm appeared before the Committee and made the following submissions:

The firm has obtained a huge quantity of Authorizations expecting 36 months export period as granted in earlier authorizations but due to change in policy, Authorization were issued with 18 months export period. They then fulfilled 100% export obligation in 33rd month from the date of issue of Authorization and now they want to regularize their case. However, due to heavy composition fees imposed by PRC in its Meeting dated 31.07.2018 they have not obtained extension from RA, Mumbai.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and found no case for waiving the composition fee and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No.11: **M/s G.I.C. Insuflex Conductors Private Limited, Thane**
F. No. 01/60/162/169/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Extension in EO period without composition fee for regularization purpose against Advance Authorization No.0310798554 dated 28.08.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Yagnesh Trivedi, CFO & Operation Head and Shri Milan Gupta, Representative of the firm appeared before the Committee and made the following submissions:

They had asked for extension of Export Obligation period up to 30 months without imposing any composition fees as their product comes under LME category and the rates are not consistent all over a period of time. Their product of imports is Copper which is an expensive metal and they do not make huge profits with good margin, so it is not viable for them to pay such a huge amount for as composition fee.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and found no case for waiving the composition fee and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No.12: **M/s G.I.C. Insuflex Conductors Private Limited, Thane**
F. No. 01/60/162/170/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Extension in EO period without composition fee for regularization purpose against Advance Authorization No.0310788959 dated 10.09.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Yagnesh Trivedi, CFO & Operation Head and Shri Milan Gupta, Representative of the firm appeared before the Committee and made the following submissions:

They had asked for extension of Export Obligation period up to 30 months without imposing any composition fees as their product comes under LME category and the rates are not consistent all over a period of time. Their product of imports is Copper which is an expensive mental and they do not make huge profits with good margin, so it is not viable for them to pay such a huge amount for as composition fees.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and found no case for waiving the composition fee and hence decided to reject the request of the firm.
(Action: Applicant)

PH Case No.13: M/s Magnum Lubricants (India) Pvt. Ltd., Mumbai
F. No. 01/60/162/167/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Clubbing of 3 Advance Authorizations No.(i) 0310766868 dated 20.01.2014, (ii) 0310773445 dated 07.03.2014 and (iii) 0310805704 dated 24.06.2016.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No.14: M/s Thirumalai Chemical Limited, Mumbai
F. No. 01/60/162/625/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: EOP Extension and to condone the procedural lapse of non generating bill of exports against supplies made to M/s Meghmani Organics Limited (SEZ Unit) under Advance Authorization No.0310793454 dated 30.01.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Shri S. Seetharaman, Advocate and Shri N. Paramasivan, Head – Import/Export Logistics of the firm appeared before the Committee and made the following submissions:

The firm has filed application for redemption to RA but the same has been rejected for the reason the no bill of export was attached in respect of the supplies made to SEZ Units. Since no Bill of export was generated at the time of shipment, alternate documents such as ARE-1, etc. were requested to be accepted as proof of completion of export obligation. However said request was also denied. They have made additional exports in full (in lieu of earlier ineligible exports) within a period of 1 year from the date of completion of original export obligation period. Now their request is to grant EO extension to regularize these additional exports

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee found that the firm has made additional exports (in full) as an alternate proof of discharging export obligation in respect of above advance authorization. In fact double exports have been made against the same authorization. Accordingly the Committee decided to allow EOP extension up to 01.07.2017 only to consider these additional exports for regularization purpose subject to payment of one time composition fee of Rs.10, 000/- (as a lump sum amount).

(Action: Applicant/RA)

PH Case No.15: M/s Thirumalai Chemical Limited, Mumbai
F. No. 01/60/162/627/AM18/PRC

PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: EOP extension and to condone the procedural lapse of non generating bill of exports against supplies made to M/s Meghmani Organics Limited (SEZ Unit) under Advance Authorization No.0310792666 dated 08.01.2015 .

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Shri S. Seetharaman, Advocate and Shri N. Paramasivan, Head – Import/Export Logistics of the firm appeared before the Committee and made the following submissions:

The firm has filed application for redemption to RA but the same has been rejected for the reason the no bill of export was attached in respect of the supplies made to SEZ Units. Since no Bill of export was generated at the time of shipment, alternate documents such as ARE-1, etc. were requested to be accepted as proof of completion of export obligation. However said request was also denied. They have made additional exports in full (in lieu of earlier ineligible exports) within a period of 1 year from the date of completion of original export obligation period. Now their request is to grant EO extension to regularize these additional exports

__Decision:__ The Committee went through the statement made by the applicant and discussed the matter at length. The Committee found that the firm has made additional exports (in full) as an alternate proof of discharging export obligation in respect of above advance authorization. In fact double exports have been made against the same authorization. Accordingly the Committee decided to allow EOP extension up to 01.07.2017 only to consider these additional exports for regularization purpose subject to payment of one time composition fee of Rs.10, 000/- (as a lump sum amount).

PH Case No.16: M/s Thirumalai Chemical Limited, Mumbai
F. No. 01/60/162/626/AM18/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: EOP extension and to condone the procedural lapse of non generating bill of exports against supplies made to M/s Meghmani Organics Limited (SEZ Unit) under Advance Authorization No.0310795392 dated 17.04.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Shri S. Seetharaman, Advocate and Shri N. Paramasivan, Head – Import/Export Logistics of the firm appeared before the Committee and made the following submissions:

The firm has filed application for redemption to RA but the same has been rejected for the reason the no bill of export was attached in respect of the supplies made to SEZ Units. Since no Bill of export was generated at the time of shipment, alternate documents such as ARE-1, etc. were requested to be accepted as proof of completion of export obligation. However said request was also denied. They have made additional exports in full (in lieu of earlier ineligible exports) within a period of 1 year from the date of completion of original export obligation period. Now their request is to grant EO extension to regularize these additional exports

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee found that the firm has made additional exports (in full) as an alternate proof of discharging export obligation in respect of above advance authorization. In fact double exports have been made against the same authorization. Accordingly the Committee decided to allow EOP extension up to 01.07.2017 only to consider these additional exports for regularization purpose subject to payment of one time composition fee of Rs.10, 000/- (as a lump sum amount).

(Action: Applicant/RA)

PH Case No.17: M/s Shree Jagannath Sterling Products Pvt. Ltd., New Delhi
F. No. 01/60/162/612/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: To allow export of gold flakes/leave as their items are not in the category in Gold Jewelry which is used for food and cosmetic purpose.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Shubh Chouksey, Director and Shri Piyush Singh, CEO of the firm appeared before the Committee and made the following submissions:

Based on their name and goodwill firm is able to create their products for international market. They have recently been approached by a bulk purchaser based out of South Korea for gold flakes, whose projected monthly requirement is about 10 kg, basically for cosmetic industry. They have been sourcing their supplies from China and Italy so far and after seeing their samples they are appreciative of the superior quality of their product. The firm is confident that they can enter into a long term agreement but based on their current model they are uncompetitive if they source duty paid gold in India which is about 15 % more expensive than those available internationally. The first condition that needs to be resolved is sourcing gold at international price. As per the prescribed food standards by the competent authority of South Korea, they are allowed only 24k pure gold flakes in food and beverages for which they require 5 to 10 kg gold flakes on monthly basis.

They have indicative order for 10 kg of 24 karat gold flakes every month, which would mean an export potential of Rs.30 Crore per annum. Based on the current costing and the technology being used by them, they are more competitive than Chinese manufacturers of gold flakes. While they do not have exact market potential but they have reason to believe that in the cosmetic and confectionary industry worldwide the requirement would be to the tune of Rs. 400-500 crore per annum. Another case pertaining to NC 1, involving import of gold under advance authorization for export of connectors was also raised and discussed in the meeting. Committee also noted that there is potential for export of various industrial products which require use of gold as an input.

Decision: The Committee heard the submission made by the representative of the firm and after discussing the matter at length it decided to refer the issue to Policy-4 Division for its examination. The Policy division shall also examine the issue for suitable amendments of the relevant provisions for export purposes, in view of the fact that present advance authorization policy for import of precious metals is basically for export of jewellery only and there seems to be no scope for export of industrial products like gold flakes, liquid gold, gold chloride or other gold products.

(Action: PC-4 Division)

PH Case No.18: M/s eAge Electronics Pvt. Ltd., Gurgaon
F. No. 01/60/162/644/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: To waive off BIS regulation for import of Helvar Driver against Advance Authorization Application No.05/25/40/00317/AM19 dated 13.12.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Vinay Sharma, Manager of the firm appeared before the Committee and made the following submissions:

All Drivers, a part of the finished product, will be imported against Advance Authorization Application No: 05/25/040/00317/AM19 dated 13.12.2018 and the total quantity of Drivers imported in India will be exported to Europe against their P.O. Ref no: MTI 20374 & MTI 20379 and none of the imported Drivers will be used / sold in India.

Decision: The Committee went through the statements made by the firm and noted that the firm is making imports only for the purpose of exports against the particular advance authorization. The Committee decided to waive the requirement of the BIS regulation in the instant case and made these items subject to pre-import condition.

(Action: Applicant/RA)

PH Case No.19: M/s Prime Lenses Pvt. Ltd., Goa
F. No. 01/60/162/262/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Condonation of procedural lapse of not mentioning Advance Authorization No.1710001746 dated 28.08.2007 on the shipping bill relating to exports effected for fulfillment of EO.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, Shri Prakash Joshi, Representative of the firm appeared before the Committee on behalf of the firm and made the following submissions:

They stated that the exports against Advance Authorization No. 1710001746 dated 28.08.2007 were done but erroneously were shown against the EPCG License No.1730000296 dated 09.11.2004 where the obligation was much higher amount and they had more focus with priority and full attention. It is their mistake that they did not mention the advance license number on the concerned shipping documents along with the EPCG license No.1730000296 dated 09.11.2004.

Decision: The Committee reviewed the case in detail and noted that there was merit in firm's contention and it appeared to be a genuine mistake on their part of not mentioning the advance license number and date on the shipping bills. Therefore it was decided to consider the export of shipping bills, in which EPCG license No.1730000296 dated 09.11.2004 has been mentioned against Advance Authorization No.1710001746 dated 28.08.2007 towards fulfillment of export obligation subject to following conditions:

i. Composition fee of Rs.200/- per shipping bill shall be imposed.
ii. RA shall ensure that above shipping bills have not been taken into account in any other Advance Authorization /EPCG authorization for discharge of export obligation.

(Action: Applicant/RA)

PH Case No.20: M/s Alpha Compressor Valves Pvt. Ltd., Pune
F. No. 01/60/162/643/AM19/PRC
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: To consider free shipping bills towards fulfillment of EO against EPCG Authorization No.3130001814 dated 30.06.2009.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 08.01.2019, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

Case No.21: M/s Volkswagen India Private Ltd.,
F. No. 01/89/180/04/AM11/PC-(A)
PRC Meeting No. 27/AM19 dated 08.01.2019

Subject: Relaxation with respect to Port of imports from Mumbai Port to Sahar Air Cargo Complex, Mumbai for import passenger cars for R&D purpose.

Decision: The Committee having examined the case and noted that the vehicles are proposed to be imported for R&D purposes only. In view of this, the Committee decided to accede to the request of the firm.

(Action: Applicant)

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