Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 30.10.2018 under the Chairmanship of DGFT Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No. 21/AM18 held on 30.10.2018 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 Anil Aggarwal	Addl. DGFT
5.	Shri R. Sharma	Jt. DGFT

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

Case No.1: M/s. MRF Limited, Chennai
F. No. 01/60/162/507/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Revalidation of Advance Authorization no.0410162520 dated 25.11.2016 and to clear the transmission error 02, 52, 44 & 45.

Firm had made an invalidation application for one of the Import item (Zinc oxide) on 09.05.2017 and received the letter on 20.06.2017. Since they were procuring some of the raw materials locally, they could not utilize the License fully. Hence they applied for revalidation on 25.10.2017 and received the same on 31.10.2017. After they had taken up the License with Chennai Customs for utilization they learnt that there was some date transmission error in the license (error code mentioning- 02, 44, 45, 52) and because of this the validity of the License is not reflecting in the Customs server. Hence they were unable to utilise the License. Then they approached NIC Technical Director personally and based on her advice, submitted the License to DGFT, Chennai for correcting the transmission error on 15.11.2017 and received the same on 28.11.2017. The process was repeated continuously but the error was not corrected. They had also taken up with this Directorate which also have corrected the errors and transmitted the license. This was also repeated several times but they could not use the license at customs as the validity of the license was not reflecting in Customs. So they submitted the License on 13.04.2018 and received the same on 23.05.2018. Again the License validity got expired on

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25.05.2018. They approached RA, Chennai for additional Extension (6 months) and the same was approved. Now the validity of the license expires on 24.11.2018. Still the errors have not been cleared while transmitting and they are receiving Customs acknowledgement with errors. They are unable to use the License as its validity is not reflecting in the Customs server.

Decision: The Committee went through the statements made by the applicant and observed that it is not a case of relaxation yet and decided to refer the case to EDI/NIC division in DGFT to resolve this matter.

(Action: EDI/NIC)

Case No. 2 : M/s.Techfab (India) Industries Ltd., Mumbai
F. No. 01/60/162/515/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Consideration of export item description of their first shipment for EO purpose against Advance Authorization no.0310806924 dated 08.08.2016.

Firm has stated that Since NC has suffixed the word, containing 255 MT of Galvanised wire in export item description i.e. steel gabion with / without PVC coated on 21.03.2017, which is basically after their first shipment. After NC decision they have declared export item description in their all shipping Bills. They have also attended EODC camp on 30.08.2018 at RA, Mumbai where it was suggested to them to approach HQ for the same. The S/bill no. 9104110 is exported on 27.07.2016 against file no. dated 25.07.2016 which is as per Advance Authorization application (steel gabion without PVC coated) and prior to NC decision.

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 brought out by the firm and hence decided to call the firm for Personal Hearing.

(Action: Applicant)

Case No.3: M/s. Aarti Drugs Limited, Mumbai
F. No. 01/60/162/509/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: EO extension without payment of composition fee and considering exports made under 2 different Advance authorisations under Advance Authorization no.0310800754 dated 08.12.2015

Firm has submitted that due to change in technical requirements of customer, export was suspended in this particular authorisation. On settlement of differences, inadvertently instead of using the subject license for export, other licenses got

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utilised for export. This error happened as subject license had expired for its original validity of 18 months period and their new computer programme removed it from Selection Mode .The other licenses are still have validity period and hence they requested to consider exports done under those files in the subject file so that EOP can be completed in all files. Exports of other files are considered in this file without clubbing and charge of composition fee. The subject file cannot be clubbed with other files as would require composition fee which would make the clubbing economically unviable. Exports done under other files are considered in the subject file as those exports are within the validity period of 30 months of opening of the subject license.

Decision: The Committee went through the statements made by the firm and found no merit in the statements made and therefore decided to reject the case.

(Action: Applicant/RA)

Case No.4: M/s. S Kant Healthcare Limited, Mumbai
F. No. 01/60/162/504/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: EO extension Period of 10 months for regularization purpose, export made under Advance Authorization no.0310416668 dated 19.01.2007.

It is a licence issued under PC-9 and with pre-import condition. They have made 1st import on 09.03.2007 and they have also fulfilled 100% obligation by 30.06.2008 i.e. almost 10 months after the stipulated time. They have exported 100% quantity wise as per the enclosed. The export was made to African Countries. They delayed the exports shipments as they had no option as the export products manufactured was specific to the requirements of the African clients.

Decision: The Committee went through the statement made by the applicant and decided to allow EOP extension for a period of 10 months (for regularisation purpose) subject to payment of composition Fee @0.5% per month on the unfulfilled FOB Value in case export are effected more than 50% within the initial EOP and @1% per month if the export within the initial EOP are less than 50%.

(Action: Applicant/RA)

Case No.5: M/s. Jindal Saw Limited, New Delhi
F. No. 01/60/162/524/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Entertainment of MEIS claim manually against shipping bill no.5561585 dated 14.06.2018.

They have exported "Carbon Steel Longit, Welded (SAWL) Line pipes" falling under Chapter Sub Heading No. 73051129 from Mundra Sea Port to Chile against Shipping Bill bearing number 5561585 dated-14.06.2018. While filling Shipping Bill online in the EDI system of Custom inadvertently system caught the incorrect value of goods exported. They have represented before the concerned Custom authority and requested them for the necessary rectifications which was accepted by the Department on due verification and upon payment of necessary fee of Rs 1,000/- vide challan number 3059 dated- 02.07.2018 as the charges for undertaking the amendment under section 149 of Custom Act, 1962. Since the custom Mundra has already assessed/ finalized the consignment before the above amendment hence, the said amendment has not been reflecting in the EDI system of DGFT which resulted in preventing filling their genuine MEIS claim. Now, on the basis of amendment sheet issued by Superintendent of Custom (Export), Mundra they have requested to take a lenient view on their request to file their claim by manually.

Decision: The Committee went through the submissions made by the firm and discussed the matter at length. The Committee found that the problem faced by the firm was beyond their control and decided to ask EDI/NIC in O/o DGFT to make suitable provision to grant them MEIS benefit against shipping bill no.5561585 dated 14.06.2018 manually.

(Action: Applicant/RA/NIC)

Case No.6: M/s. Reliance Industries Limited, Mumbai
F. No. 01/60/162/519/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Relaxation in Para 3.01(g) of HBP Vol. I (2015-20) to allow manual feeding in order to claim MEIS reward benefit against shipping bills pertaining to December 2016 whose Let Export order dates are falling in January, 2017.

Firm has indicated that due to changes in Indian Trade Classification (Harmonised system) from 1st January 2017, ITC HS code of Polyethylene terephthalate (PET) has been changed from 39076090 to 39076100. This change made the earlier ITC 39076090 ineligible for MEIS benefit w.e.f.1st January 2017. While filing MEIS application for 5 shipping bills (Shipping No. 3187554 dated 31.12.2016 (2) 3170073 dated 31.12.2016 (3) 3169984 dated 31.12.2016 (4) 3169986 dated 31.12.2016 and (5) 3178512 dated 31.12.2016.) on DGFT Portal, whose shipping date are December'16 but LEO dates are in January'2017, they noticed that old ITC HS code 39076090 are not accepted in e-com repository due to which they are unable to file MEIS benefit for the old HS code which were existing prior to 01.01.2017 even though they were entitled for MEIS benefit on account of the changes in ITC HS code during the intervening period in which the LEO was issued. The same HS code 39076090 has been subsequently changed to 39076100 for the said export products and incentivised with new HS code w.e.f 01.01.2017 due to which they are unable to create their application for MEIS benefit for 5 shipping bills wherein shipping bill dates are prior to 1st January 2017 and LEO date is on or after 1st January 2017.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee found that the due to changes in MEIS module, the firm has faced the problem which was beyond their control and decided to allow them MEIS benefit against above mentioned five shipping bills.

(Action: Applicant/RA/NIC)

Case No.7: M/s. Reliance Industries Limited, Mumbai
F. No. 01/60/162/518/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Grant of duty credit under MEIS as per para 3.14 (b) of HBP Vol. I 2015-20 against following 15 shipping bills:-

(1) 1185843 dt. 21.09.2016 (2) 1179803 dt. 21.09.2016, (3) 1160452 dt. 21.09.2016 (4) 1185957 dt. 22.09.2016 (5) 1160533 dt. 21.09.2016 (6) 1135104 dt. 20.09.2016 (7) 1124006 dt. 19.09.2016 (8) 1157890 dt. 20.09.2016 (9) 1162060 dt. 21.09.2016 (10) 1182597 dt. 21.09.2016 (11) 1203144 dt. 22.09.2016 (12) 1194346 dt. 22.09.2016 (13) 1182538 dt. 21.09.2016 (14) 1204604 dt. 22.09.2016 and (15) 1211365 dt. 23.09.2016

The firm is Seeking relaxation under Para 3.14 (b)(i) of HBP 2015-20. Whenever any product is included in MEIS schedule during the financial year, one month grace period is allowed from the date of PN/Notification for making the declaration of intent. ITC HS code 2917 3600 was included in MEIS Appendix 3 B w.e.f. 22.09.2016. They have mentioned declaration of intent in above 15 shipping bills as "N" instead of "Y" due to which the above shipping bills become ineligible for MEIS benefit as per para 3.14(a) of HBP-Vol-I 2015-20. Moreover, the goods under the above Shipping bills were exported under drawback Scheme and not as free shipping bills.

Decision: The Committee went through the justification furnished by the firm and discussed the matter at length. The Committee found that provisions to consider such cases already exists at Para 3.14 (b) of the HBP, however manual feeding is not allowed for EDI shipping bills. Therefore, committee after deliberations, decided to grant them MEIS benefit against above mentioned 15 shipping bills.

(Action: Applicant/ RA)

Case No.8: M/s. Reliance Industries Limited, Mumbai
F. No. 01/60/162/520/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Grant of duty credit under MEIS as per para 3.14 of HBP Vol. I 2015-20 (F. No.01/21/0065/0065/00222/AM19 dated 09.10.2018 against following 35 shipping bills:-

(1). 3806717 dt. 28.10.2015, (2). 3809635 dt. 29.10.2015, (3). 3825007 dt. 29.10.2015, (4). 3778226 dt. 27.10.2015, (5). 3760182 dt. 27.10.2015, (6). 3781850 dt. 27.10.2015, (7). 3781937 dt. 27.10.2015, (8). 3784208 dt. 28.10.2015, (9). 3784835 dt. 28.10.2015, (10). 3785892 dt. 28.10.2015, (11). 3896028 dt. 29.10.2015, (12). 3760176 dt. 27.10.2015, (13). 3768406 dt. 27.10.2015, (14). 3768542 dt. 27.10.2015, (15). 3781476 dt. 27.10.2015, (16). 3783895 dt. 28.10.2015, (17). 3785954 dt. 28.10.2015, (18). 3806032 dt. 28.10.2015, (19). 3831208 dt. 29.10.2015, (20). 3784833 dt. 31.10.2015, (21). 3804246 dt. 28.10.2015, (22). 3734060 dt. 26.10.2015, (23). 3760004 dt. 27.10.2015, (24). 3771807 dt. 27.10.2015. (25). 3784211 dt. 28.10.2015, (26). 3784215 dt. 28.10.2015, (27). 3784866 dt. 28.10.2015, (28). 3796595 dt. 28.10.2015, (29) 3834508 dt. 29.10.2015.(30). 3762079 dt. 27.10.2015. (31). 3834504 dt. 29.10.2015, (32). 3832509 dt. 29.10.2015. (33). 3834459 dr. 29.10.2015. 34). 3837578 dt. 30.10.2015, (35). 3772740 dt. 27.10.2015.

The firm is seeking relaxation under Para 3.14(b)(i) of HBP 2015-20 – Whenever new product included during the financial year, one month grace period allowed from the date of PN/ Notification for making the declaration of intent. ITC HS code 3907 6090 included in MEIS Appendix 3 B for country group A and B w.e.f 29.10.2015 . Their above 35 shipping bills of same product having reward scheme "No" during the grace period of one month.

Decision: The Committee went through the justification furnished by the firm and discussed the matter at length. The Committee found that provisions to consider such cases already exists at Para 3.14 (b) of the HBP, however manual feeding is not allowed for EDI shipping bills. Therefore, committee after deliberations, decided to grant them MEIS benefit against above mentioned 35 shipping bills.

(Action: Applicant/ RA/NIC)

Case No.9: M/s. Vedanta Limited, Mumbai
F. No. 01/60/162/521/AM19)/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Grant of MEIS entitlement against actual foreign exchange value realized in respect of Shipping Bill No. 6972420 dated 09.04.2016, 7040784 dated 13.04.2016 and 4331903 dated 23.02.2017.

They have submitted that due to oversight, incorrect unit price has been entered in shipping bills, by CHA/Customs and accordingly FOB values, Invoices Values and DBK values have become incorrect in respect of Shipping Bill No. 6972420 dt. 09.04.2016, 7040784 dt.13.04.2016 and 4331903 dt 23.02.2017. Department of Customs has issued a certificate dated 07.07.2017 and 05.06.2017 confirming the same. Because of wrongly transmitted FOB values, they are unable to claim the actual MEIS benefits that they are eligible against the subject shipping bills.

Decision: The Committee went through the statements made by the firm and found that the problem faced by the firm was beyond their control. Accordingly it decided to allow the benefit of MEIS to the firm in respect of the above mentioned 3 shipping bills subject to adequate system being developed by NIC in this regard/ NOC by NIC.

(Action: Applicant/ RA/NIC)

Case No.10: M/s. Venus Remedies Limited, Panchkula (HR)
F. No. 01/60/162/523/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Grant of MEIS incentives (F. No.22/21/090/80809/AM18)

Decision: Since the applicant has not submitted any reason/ justification in support of any genuine hardship faced by them, the Committee decided to reject the request.

(Action: Applicant/ PRC)

Case No.11: M/s. Super Circle Auto Limited, New Delhi
F. No. 01/60/162/525/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Waiver of Para 3.14 of HBP 2015-20.

The firm has been exporting goods, i.e., brakes and parts thereof falling under CTH 87083000 to various countries by filing EDI Shipping Bills. The exported countries are notified markets as listed in Appendix 3B and accordingly, they have been claiming rewards available under Merchandise Exports From India Scheme (MEIS) in terms of Para 3.04 of the Foreign Trade Policy 2015-20 by following the procedure of giving the following declaration on the Shipping Bills as mandated vide Para 3.14 of the Handbook of Procedure to the FTP:- – "They intend to claim rewards under Merchandise Exports From India Scheme (MEIS)."

However, while filing twenty eight Shipping bills, the aforesaid declaration for which "Y" was required to be marked, but due to technical difficulty it was marked 'N' in the reward item box but they reiterate that they nevertheless always wished to seek MEIS benefit as the exported items are eligible for MEIS. Because of this procedural lapse, their Shipping Bills are not being transmitted from ICEGATE to

DGFT server and therefore, online application cannot be filed against such shipping bills.

Decision: The Committee went through the statements made by the firm and found no merit in the statements made and therefore decided to reject the case.

Case No.12: M/s. Centex International Pvt. Ltd., Ludhiana
F. No. 01/60/162/529/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Extension of Export Obligation Period of Advance Authorization no. 3010103022 dated 16.07.2014.

The firm is regularly exporting resultant product under Drawback scheme, but could not export under above Advance License. As this License was misplaced at their CHA office and they were not aware of these License due to lack of their tracking details. As a result it has got skipped from their records. Whereas they are able to complete the EO of this Licence in prescribed time limit, as they are regularly exporting same product during these period but by mistake they have not covered these shipment under Advance License towards fulfilment of EO.

Decision: The Committee deliberated the case in detail and noted that the firm has not completed the export obligation within the original/extended obligation period and further no genuine hardship could be observed. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant/ RA)

Case No.13: M/s. Centex International Pvt. Ltd., Ludhiana
F. No. 01/60/162/528/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Extension of Export Obligation Period of Advance Authorization no. 3010103430 dated 18.03.2015

They are regularly exporting resultant product under Drawback scheme, but could not export under above Advance License. As this License was misplaced at CHA office and they are not aware of these license due to lack of our tracking details. As a result it has been skipped from their records. Whereas they are able to complete the EO of this Licence in prescribed time limit, as they are regularly exporting same product during these period but by mistake they have not cover these shipment under advance License towards fulfilment of EO.

Decision: The Committee deliberated the case in detail and noted that the firm has not completed the export obligation within the original/extended obligation period and further no genuine hardship could be observed. Hence, the committee did not accede to the request of the firm.

(Action: Applicant/ RA)

Case No.14: M/s. Parksons Cartamundi Pvt. Ltd., Mumbai
F. No. 01/60/162/521/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Relaxation in FTP in respect of 0% EPCG Authorization No. 0330025227 dated 16.02.2010

The firm had been issued above referred EPCG Authorization under Zero Duty Scheme which was valid for 6 year. Subsequently, they imported the Capital goods vide Bill of Entry NO. 931922 dated 09.03.2010. As International Market was very down for their product, hence they could not complete export Obligation. So, they applied for Extension of Export Obligation for further 2 years according to Policy, DGFT, Mumbai Extended the Export Obligation period from 6 years to 8 years on 03.01.2017 vide amendment sheet no. 4 attached to the authorization. Unfortunately, after the extension of 2 years, they had able to complete Export Obligation to the extent of 17.20% only i.e. USD 98001.46 against Export Obligation out of USD 5, 67,301.80/- . After expiry of the said authorization, they received a huge export order, which will fulfil balance EO of 82.72%, but Authorization number is not being accepted in EDI System while generating Shipping Bill at Nhava Sheva.

Decision: The Committee having examined the case found no merit in it and decided to reject the request of the firm.

(Action: Applicant/ RA)

Case No.15: M/s. Pilot Industries Ltd., New Delhi
F. No. 01/60/162/815/AM18/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Extension for fulfilling of export obligation under Advance Authorisation No.0510375028 dated 31.12.2013.

The firm started exports from June 2014 to December 2014 but during January to December 2015 the prices of Lead at LME falls down between US $ 1615.98 per MT to US $ 2003.84 per MT. Even though they tried to make deemed export during this period but that was not sufficient to fulfil E.O. In the meanwhile the Licence got expired and as such they were unable to export. But now they can export within 3 months balance quantity of 893.30 MT.

Decision: The Committee noted the firm has not cited anything on genuine hardship caused to them and no reasons have been given for not fulfilling the EO within the stipulated **EOP** and therefore decided to reject the case.

(Action: Applicant/ RA)

Case No.16: M/s. L & G Enterprises, Goa
F. No. 01/89/180/39/AM11/PC-2(A) / [E-5921]/P11135
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject: Relaxation of Policy under Para 2.58 of FTP on the mandatory requirement of import Second Hand Vehicle through port of Mumbai and permission to import the Indian made Tata Tippers through the Port of Tuticorin as a Special Case as per Para 2.28 of FTP.

The firm has stated that they had exported 06 Nos. of Tata Tipper vehicles (India made) to Maldives for a project there. Now, after completion of project, they wanted to re-import it in India through Port of Tuticorin to save expenditure and also logistic purpose. In view of above, they have requested to allow them to import 06 Nos of Tata Tipper Vehicle at Tuticorin Port instead of Mumbai Port giving relaxation under clause (i) (ii) (d) (IV) chapter 87 of UTC HS Schedule 2017 – import policy.

Decision: Committee went through the request in detail and after deliberations decided to allow relaxation of port condition and permitted import of 6 no.of Tata Tippers through port of Tuticorin instead of Mumbai port.

(Action: Applicant)

Case No.17: M/s. Versatile Wires Ltd., Kolkata
F. No. 01/60/162/532/AM19/PRC
PRC Meeting No. 21/AM19 dated 30.10.2018

Subject:- **Cancellation of part unutilized invalidation letter against advance authorization No.0210208018 dated 29.11.2017.**

The firm has taken a AA No. 0210208018 dated 29.11.2017 and got it invalidated in favour of local supplier M/s Vedanta Limited. The local supplier has supplied only part quantity and could not supply balance quantity as their plant is shut down by the order of State Government of Tamil Nadu. However RA has not accepted their request and advised them to approach DGFT Hqrs mentioning that there is no procedure for cancellation of unused portion of invalidation letter quantity. Therefore they are submitting herewith their request with detailed statement of facts of the case, ground of application and prayer for relaxation under FTP/HBP for cancellation of part utilised invalidation letter and allow issuance of fresh invalidation letter or direct imports.

Decision: The Committee went through the justification furnished by the firm and discussed the matter at length. The Committee found that the problem faced by the firm was beyond their control and decided to allow cancellation of the part utilised invalidation letter and allow issuance of fresh invalidation letter or direct imports.

(Action: Applicant/ RA)

Case No. 18: Incomplete Cases

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

S. No.	Name of firm	Subject of firm	Reasons for rejection
1	M/s. Asiatic Drugs & Pharmaceuticals Pvt. Ltd., New Delhi	Removal of Additional condition of 12 months EO for Advance Authorization no. 0510399239 dt. 27.07.2016	(ANF 2D and complete fee not given)
2.	M/s. Syndicate Binders, Noida	Grant of Extension of EOP EPCG license no. 0530140919 dated 24.04.2016	(ANF 2D and fee not given)
3.	M/s. Nitish International, Ludhiana	Time Barred DEPB Application	(ANF 2D and fee not given